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Contents

		Paragraphs	Page
Abbreviations			3
I.	Introduction	1-2	5
II.	Background	3-14	5
A.	Strategic programme focus and positioning	5-7	5
B.	Alignment among the goals of the multi-year funding framework, UNDP practice areas and the Millennium Development Goals	8-10	6
C.	Quality and relevance of programmes	11	6
D.	Optimizing and streamlining results-based management within UNDP	12-14	6
III.	Conceptual foundations of the multi-year funding framework 2004-2007	15-25	7
A.	The Millennium Declaration and Millennium Development Goals	16-18	7
B.	Programme country needs and requirements	19	8
C.	The United Nations reform programme	20-22	8
D.	Organizational renewal for results	23-25	8
IV.	Strategic goals of the multi-year funding framework 2004-2007	26-37	9
A.	MYFF goals and programme country demand for UNDP support	27-29	9
B.	MYFF goals and the international mandates to UNDP	30	10
C.	Proposed core MYFF goals	31-37	10
V.	Strategic results framework for 2004-2007	38-48	11
A.	A simpler, more focused strategic results framework	39-41	11
B.	Capitalizing on the comparative strengths of UNDP	42-47	11
C.	Strategic goals and service lines	48	12

03-46923 (E) 260803

VI. Organizational strategies for the MYFF period 2004-2007		49-86	14
A. Contributing to development effectiveness at the country level		54-60	14
A1. Developing national capacities		55	14
A2. Enhancing national ownership		56	15
A3. Advocating and fostering an enabling policy environment		57	15
A4. Promoting gender equality		58	15
A5. Forging partnerships for results		59--60	15
B. Building organizational capacity for development effectiveness		61-79	15
B1. Providing knowledge services		64-70	16
B2. Improving efficiency and performance		71-79	17
C. Deepening partnerships within and outside the United Nations system		80-86	18
C1. Strengthening the resident coordinator role in building partnerships around the MDGs		83-84	19
C2. Implementing the simplification and harmonization agenda to enhance collective impact at the country level		85-86	19
VII. The integrated resources framework 2004-2007		87-91	19
VIII. Conclusion		92-94	20

Annexes

1.	UNDP goals and service lines for 2004-2007: Description of service lines, linkage to MDGs, comparative strengths of UNDP and country demand	21
2.	Integrated resources framework 2004-2007	51
3.	Allocation of resources by budget category, 2004-2007	52

Abbreviations

AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
CCA	Common Country Assessment
CGIAR	Consultative Group on International Agricultural Research
CO	Country office
CSO	Civil society organization
DAC	Development Assistance Committee (of the OECD)
DDA	Department for Disarmament Affairs of the United Nations Secretariat
DDC	Drylands Development Centre
DDR	Demobilization, disarmament and reintegration
DGO	Development Group Office
DPKO	Department of Peace-keeping Operations of the United Nations Secretariat
ECHA	Executive Committee on Humanitarian Affairs
ERP	Enterprise Resource Planning
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GA	General Assembly
GDI	Gender-related development index
GEF	Global Environmental Facility
GEM	Gender Empowerment Measure
GLOC	Government contributions to local office costs
GWP	Global Water Partnership
HDR	Human development report
HIPC	Highly-indebted poor country
HIV	Human Immunodeficiency Virus
IAPSO	Inter-agency Procurement Services Office
IASC	Inter-agency standing committee
ICARDA	International Center for Agricultural Research in the Dry Areas
ICLEI	International Council for Local Environmental Initiatives
ICRAF	International Centre for Research in Agroforestry
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
ICT	Information and communications technology
ICT4D	Information and communications technology for development
ICTD	Information and communications technology for development
IFC	International Finance Corporation
IMO	International Maritime Organization
IRF	Integrated Resources Framework
IUCN	The World Conservation Union (previously the International Union for Conservation of Nature and Natural Resources)
LDC	Least developed country
LPG	Liquefied Petroleum Gas
MDG	Millennium Development Goal
MIC	Middle income country
MP	Montreal Protocol
MYFF	Multi-year funding framework
NCC	Net contributor country
NGO	Non-governmental organization

NHDR	National human development report
ODS	Ozone-depleting substances
OECD	Organization for Economic Cooperation and Development
POP	Persistent organic pollutant
PRSP	Poverty reduction strategy paper
RBM	Results-based management
ROAR	Results-oriented annual report
SMEs	Small and medium-sized enterprises
SRF	Strategic results framework
SURF	Sub-regional resource facility
TB	Tuberculosis
TCDC	Technical cooperation among developing countries
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCCD	United Nations Convention to Combat Desertification
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDPA	United Nations Department for Political Affairs
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNGA	United Nations General Assembly
UNGASS	United Nations General Assembly Special Session
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNITAR	United Nations Institute for Training and Research
UNSG	United Nations Secretary-General
UNSO	Office to Combat Desertification and Drought (formerly United Nations Sudano-Sahelian Office)
UNV	United Nations Volunteers
WHO	World Health Organization
WSSD	World Summit for Sustainable Development

I Introduction

1. In response to Executive Board decision 2003/8, this document presents proposals for the second multi-year funding framework (MYFF) for the period 2004-2007. The document describes the strategic goals and service lines to be pursued by the organization, and details the organizational strategies that will be followed over this MYFF period. It extends and refines goals and strategies set out in the business plans 2000-2003 (DP/2000/8) presented to the Executive Board at its first regular session in January 2000. The planned use of resources contained in the 2004-2005 biennial budget estimates (DP/2003/28) being presented to the Executive Board at this session fully reflect and are consistent with the strategies enumerated in the present document.

2. Based on the empirical evidence of programme choices being made on the ground by programme countries, and linked to the global consensus reflected in the Millennium Declaration and the Millennium Development Goals (MDGs), the strategic directions proposed in this document define a common ground where the two converge. The MYFF is designed to be a key instrument for the strategic management, monitoring, and accountability of UNDP internally, as well as for external stakeholders.

II. Background

3. In its decision 98/1, the Executive Board adopted guiding principles for sharpening the programmatic focus of UNDP, and requested that the Administrator operationalize them, including a mechanism for implementation, impact measurement and evaluation. In its decision 98/23, the Executive Board directed UNDP to develop a multi-year funding framework integrating programme objectives, resources and outcomes within the corporate priorities and focus. This is consistent with the recommendation of the Secretary-General to the General Assembly that multi-year funding frameworks be introduced and used throughout the United Nations system as pledging mechanisms under which donors could link their financial contributions to results, programme performance and aid effectiveness. The presentation of the first multi-year funding framework to the Executive Board in 1999, and its approval through Board decisions 99/1 and 99/23, initiated the transformation of UNDP into a results-based organization.

4. During the first MYFF period, UNDP has been monitoring the shift to results-based management by seeking answers to some central questions that, together, help monitor how well the organization is doing. These include: the extent to which UNDP has been successful, at the country level, in moving towards a strategic programme focus and positioning; the effectiveness with which UNDP has used advocacy, policy dialogue and country presence to support national policies; and the effectiveness with which UNDP has used partnerships to further development change. In Executive Board documents presented at the annual session in June 2003 (DP/2003/12 and DP/2003/CRP.14) UNDP highlighted key achievements and major lessons learned with a view to informing the formulation and finalization of the MYFF 2004-2007. Valuable guidance was received from the Board through its decision 2003/8. This chapter recapitulates the major issues emerging from this exercise that were used in formulating the new MYFF.

A. Strategic programme focus and positioning

5. Efforts to achieve programme focus have been manifest in several ways, with significant but varying degrees of success. UNDP has made considerable progress in increasing programme focus at the country level, consistent with the corporate strategic results framework (SRF). More than simply reducing the number of outcomes, the effort has been to sharpen programme profiles and ensure that programme positioning is optimal. Given that the choice of focus is a combination of country and donor priorities, corporate goals and country office capacities, focus areas and corresponding outputs must be positioned to form a coherent and mutually supportive package. Country programmes are increasingly demonstrating improved coherence in the selection of outcomes, but this process is subject to the diverse requirements of a range of national partners. This has meant that in some cases programme

outcomes seem not to be internally consistent or mutually reinforcing. The lesson for the future is to encourage offices to use a strategy that facilitates cross-thematic linkages and complementarity of targets.

6. As reported in the results oriented annual report for 2000, the initial in-country application of the SRF returned, on average, between 13 and 14 outcomes per office. By mid-2003, over 40 country programmes using the new results-oriented format had been approved by the Executive Board. Each new country programme supports an average of eight to nine mutually agreed country programme outcomes. Furthermore, analysis of country-level SRFs shows that the introduction of strategic programming in UNDP has helped, over time, to significantly reduce and phase out activities that lie outside focus of the corporate MYFF.

7. Guidance provided by the Board at the annual session 2003, as well as feedback obtained from informal discussions with and among Board members, pointed up the need for UNDP to further focus the corporate SRF and the practice areas while reconfirming the overarching aim of reducing poverty. UNDP intends to continue the process of sharpening strategic focus and improving programme positioning at the country level. The MYFF 2004-2007 is a crucial part of this effort.

B. Alignment among the goals of the multi-year funding framework, UNDP practice areas and the Millennium Development Goals

8. Since the adoption of the first MYFF and the corporate strategic results framework in 1999, there have been two major developments, one external and the other internal, that directly influence the substantive goals and areas of support of UNDP country programmes. First, world leaders convened at the Millennium Summit in September 2000 and agreed on a Millennium Declaration and Millennium Development Goals, most of which are to be achieved by 2015. The MDGs comprise a framework for achieving human development that enjoys the political commitment of the international community. In its decision 2003/8, the Executive Board emphasized the role of UNDP in advancing the MDGs.

9. Second, the institution of the UNDP 'practices' enables the organization to provide the required high quality, substantive support to programme countries. It does so by encouraging an internal culture of knowledge sharing and substantive skills development, capitalizing on the vast experience inherent in its network. As UNDP increasingly orients itself towards policy advisory services and capacity development, it needs to strengthen its substantive knowledge base in its key practice areas (discussed further in section VI of this document).

10. In its decision 2003/8, the Executive Board asked that the new MYFF align and clarify the relationship between the practice areas, the MYFF itself and UNDP support to the achievement of MDGs. The MYFF 2004-2007 aims at integrating these into a single unified strategic framework. Section III of this report elaborates further on these, and other, conceptual foundations that underlie the MYFF 2004-2007.

C. Quality and relevance of programmes

11. In 2001, the SRF was internalized into the country programme outline so that, with each new country programme formulation, UNDP establishes intended outcomes and outputs in dialogue with the Government and other national stakeholders. SRF outcomes and outputs are evolving into country programme outcomes and outputs, and country offices are increasingly establishing programme outcomes in consultation with national counterparts. Moreover, the links between outcomes and their corresponding outputs are becoming stronger as country offices and national counterparts gain familiarity with results-based approaches. This evolving experience not only demonstrates a growing familiarity with 'the hierarchy of results', but suggests that an increasing number of these outcomes are rooted in national contexts and represent shared, actionable priorities.

D. Optimizing and streamlining results-based management within UNDP

12. Results-based management in UNDP is based on four main pillars:

(a) The definition of strategic goals which provide a focus for action;
(b) The specification of expected, and measurable, results which contribute to these goals and align programmes, partnerships and resources behind them;
(c) Ongoing monitoring and assessment of performance, integrating lessons learned into future planning; and
(d) Improved accountability, based on continuous feedback to improve performance.

13. Over the past four years, UNDP has been implementing and internalizing the 'virtuous cycle' that the above process implies and learning lessons that have led it to adjust and refine its results-based management (RBM) strategy. Simplification, harmonization and the development of new operational instruments are all steps in this direction. In addition, a series of ongoing evaluations have provided valuable input that has informed the revised oversight goals of the organization.

14. The Executive Board has several times, most recently through its decision 2003/8, urged UNDP to simplify the structure and format of its results programming and management system. Feedback from country offices confirms that a three-tiered architecture of the corporate portion of the SRF – consisting of goals, sub-goals and strategic areas of support – is too onerous and should be simplified. Furthermore, the large number of strategic areas of support (45) in the first MYFF has contributed to a fragmentation of programmes and, in turn, results. The second MYFF will embody a simpler, two-tiered structure, responding directly to these concerns.

III. Conceptual foundations of the multi-year funding framework 2004-2007

15. The strategic goals and service lines embodied in the MYFF 2004-2007 have been influenced by significant considerations at four levels: (i) the Millennium Declaration and the MDGs, which represent the overarching basis for all UNDP activities during this period; (ii) country-level demand for UNDP support, as reflected in approved United Nations Development Assistance Frameworks (UNDAFs) and country programmes, an indication of the needs and priorities of programmes countries; (iii) the Secretary General's reform programme, which places UNDP in a compelling position to coordinate and provide coherence to all United Nations activities at the country level, particularly in connection with achieving the MDGs; and (iv) the transformation of UNDP in terms of operational effectiveness, starting with the implementation in 2000 of the first MYFF. These four pillars provide the conceptual basis for the strategic goals of UNDP in the second MYFF period and facilitate the identification of service lines under each goal.

A. The Millennium Declaration and the Millennium Development Goals

16. The MDGs, taken together with the Millennium Declaration, comprise an agenda for achieving human development that enjoys the political commitment of the international community. It is significant that the MDGs codify and crystallize in very specific targets, for the first time, the concepts of human development and poverty eradication long advocated by UNDP. The MDGs provide an important operating and accountability point of reference for development practitioners. The goals were derived from a series of United Nations conferences over the past decade, culminating in the Millennium Declaration signed by 189 countries, and lie at the heart of the Monterrey Consensus and the Johannesburg Plan of Implementation. Their simplicity and measurability makes them an ideal vehicle for policy reform advocacy.

17. The MDGs provide the overarching vision guiding our goal of poverty eradication for a number of reasons:

(a) The preeminence of poverty reduction as an MDG goal, in the context of the principal mandate and role of UNDP within the development community;
(b) The essential role of the MDGs in promoting strategic focus, orientation, and cohesion in United Nations development activities;
(c) The powerful contribution of the MDGs to a political consensus on a single overarching vision for promoting human development;
(d) The operational value of the MDGs as a set of concrete, time-bound targets; and

(e) The importance of the interconnectedness of the MDGs, and the implications of their holistic approach for UNDP strategy and operations.

18. In addition to the directive provided to UNDP by Executive Board decision 2003/8 to place the MDGs at the center of the organizations strategic goals, the Secretary-General has entrusted the Administrator of UNDP to act as the coordinator for the MDGs in the United Nations system. In fulfilling this role, UNDP is working with counterparts at the country level to set national MDG targets, establish monitoring mechanisms, mobilize public support for the MDGs and plan national MDG reports.

B. Programme country needs and requirements

19. Through its global presence in 136 countries, an important strength of UNDP has always been that its programmes are country-determined and rooted in the local context, albeit within the corporate mandate and focus determined by the Executive Board. UNDP remains committed to this principle, without which the relevance, country ownership and sustainability of the programmes would be seriously compromised. An assessment of actual country demand therefore underlies the selection of MYFF goals and service lines in the present document. The assessment exercise is described in further detail in section IV.

C. The United Nations reform programme

20. Under the principles of the Charter of the United Nations, the Organization is committed to working with member states to maintain international peace and security and to promote social progress, better living standards and human rights. The Secretary-General's vision for United Nations reform is derived from these fundamental goals and reinforced by the Millennium Declaration. Under the programme the Secretary-General has embarked on a series of reforms in the way the United Nations manages its resources and interacts with its external partners to fulfill its mandates and to make the UN a more efficient and effective global body, harnessing the resources and competencies of the various entities within the system. As the development agency and operational arm of the United Nations in 136 countries, UNDP plays a critical role in advancing the reform process.

21. A major objective of United Nations reform is operational and programme coherence and coordination at the country level to provide maximum support to achieving the MDGs. During the second MYFF period UNDP will continue to improve the cohesion of the United Nations system through the resident coordinator system. The United Nations reform initiative has inspired a wide range of management reforms within UNDP, including: rationalization of organizational structures; simplification of procedures; elimination of duplication and waste; transparency; decentralization; and competency- and merit-based human resources management. This is discussed further in section VI.

22. The Secretary-General's reforms have transformed the way the United Nations deals with external partners. By encouraging a more systematic and substantive re-engagement with civil society and the private sector, the United Nations reform process validates the results-based approach of UNDP: the focus on achieving development results at the country level, and the necessity of using partnerships and participatory approaches to achieve these results.

D. Organizational renewal for results

23. As reported to the Executive Board at the annual session 2003, the internal transformation of UNDP from a process-based organization to one that is a focused, responsive partner of programme countries in achieving development change has been a challenging task. In addition to developing and introducing results-oriented programming instruments, the organization has undertaken a major re-engineering of processes and systems, modifying internal resource allocations and office arrangements and investing in new staff skills and capacities. Oversight, monitoring, incentive and reward systems have been reconfigured to measure and promote the results that the organization is determined to achieve.

24. Through much of the first MYFF period UNDP has been developing and initiating new operational practices and reaching agreement on the benchmarks that will be used to measure performance. As an effective, results-oriented organization, UNDP expects to be assessed by stakeholders on the basis of its contribution to achieving MYFF goals, and invites the Executive Board to make use of the indicators contained in this and other documents towards that end. Internally, the indicators are being incorporated into monitoring and oversight instruments across the organization. In addition to articulating the strategic goals of UNDP, the second MYFF should be a more versatile tool than the first in enhancing corporate accountability.

25. The second MYFF capitalizes on the advances UNDP has made in the first MYFF period in enhancing operational performance. Some central elements of organizational reform are already in place, and important internal mechanisms are being developed to help UNDP demonstrate its fundamental effectiveness and efficiency and be held accountable on those terms. The first MYFF period has seen demonstrable progress in the following areas:

(a) Promotion of a practice culture;
(b) Enhancement of strategic and operational focus;
(c) Extension and internalization of results-orientation;
(d) Transformation of UNDP into a knowledge-based, networked organization;
(e) Further decentralization of the organization;
(f) Strengthening of managerial and individual accountability for results; and
(g) Enhancing of partnerships and a service orientation.

IV. Strategic goals of the multi-year funding framework 2004-2007

26. The MYFF 2004-2007 seeks first and foremost to respond to the strategic goals and areas of support defined by programme country needs, and reflected in country level UNDAFs and UNDP-supported programmes. The vision and objectives represented by the MDGs, the broader mandates of the UN and UNDP as assigned by the United Nations Charter and international agreements, and the internal transformation of UNDP in becoming an effective catalyst for development change provide the global political legitimacy and macro context for defining the MYFF goals. Accordingly, the second MYFF proposes separate goals derived from ongoing country programmes, the MDGs, and the mandates assigned to UNDP at the World Summit for Sustainable Development and the International Conference on Financing for Development.

A. MYFF goals and programme country demand for UNDP support

27. The selection of goals for the second MYFF has been significantly influenced by country demand for UNDP support, reflected in an analysis of outcomes in country programmes and SRFs. In the preparation of the second MYFF, all 136 country offices were requested, as part of an ongoing process of consultation with host governments, to consider the intended outcomes of their country programmes for the period 2004-2007 and match them to possible areas of UNDP support. This enabled the organization to adjust the proposed areas of work based on actual (or likely) demand for UNDP services. More than 50 country offices have had new country programmes approved for the period 2004 onward. For these countries, the matching exercise was based on intended outcomes already approved by programme governments. Many country offices were in the process of preparing CCAs, UNDAFs or country programmes; and were thus well placed to indicate likely country priorities for the next four years.

28. The above analysis reveals that poverty reduction and democratic governance-related outcomes enjoy about equal – and highest – priority in country programmes. Energy and the environment continues to be an important area of support. Crisis prevention and recovery, not surprisingly, has emerged as a major area where UNDP assistance is sought. Finally, HIV/AIDS was singled out as an area of serious concern.

29. The analysis shows that the areas of support being requested from UNDP by programme countries are almost entirely congruent with the vision of the MDGs and the broader programmatic framework of UNDP. This consistency between the mandate of UNDP, derived from the international consensus on development and from the

ground realities in programme countries, serves to reinforce confidence in the value and relevance of the second MYFF. This validation of the UNDP focus areas should in turn enhance the value of the second MYFF as a policy and planning instrument.

B. MYFF goals and the international mandates to UNDP

30. The policy framework represented by the MDGs, the mandate of UNDP and the specific roles assigned to UNDP through international consensus at the World Summit for Sustainable Development and the International Conference on Financing for Development, guide the selection of MYFF goals. The analysis of country activities referred to above confirms that the global agreements are relevant to country priorities.

C. Proposed core MYFF goals

31. Based on the foregoing, the MYFF 2004-2007 proposes the following core goals:

(a) Achieving the MDGs and reducing human poverty;
(b) Fostering democratic governance;
(c) Managing energy and environment for sustainable development;
(d) Supporting crisis prevention and recovery; and
(e) Responding to HIV/AIDS.

32. The above goals characterize the core areas of operation of UNDP and are fundamental to its mandate and identity. The goals form a nexus of priorities drawn from the broader mission of the United Nations to promote peace, security and development. As such, they continue from the first MYFF and are likely to remain the core of UNDP services beyond 2004-2007 and continue at least through 2015, the time horizon for achieving the MDGs.

33. The fourth goal – supporting crisis prevention and recovery – is an important response to recent increases in crises and conflicts around the world that, if left unchecked, can pose a debilitating threat to human development. UNDP services delivered under this goal help mitigate the risks and effects of crisis situations, enabling societies to advance toward the MDGs.

34. In working towards its strategic goals during the next four years, UNDP must consider not only development opportunities for programme countries, but also the grave threats to their human development and security. The threat that overshadows all others due to its devastating impact on development is the HIV/AIDS pandemic, a crisis that endangers the future of entire societies, economies, and states, critically undermining the mission of the United Nations mission to extend peace, security, and human development across the globe. HIV/AIDS is therefore a vital consideration for UNDP during the second MYFF period. At their request, UNDP played a catalytic role during 2002 in assisting governments and civil society in 75 countries to confront the disease. No longer seen as purely a challenge for medical and public health specialists, the response to HIV/AIDS must be multi-sectoral, encompassing actions at the national, district and community levels in education, communications, sustainable livelihoods and development of social safety nets. UNDP is well positioned to participate in the global effort by promoting a holistic, gender-sensitive response to the pandemic.

35. Feedback from programme countries over the past few years has shown that national counterparts are increasingly requesting UNDP support in helping them to harness the power of information and communication technology for development (ICTD). This is not surprising, given the enormous potential for such technologies to enhance transparency and efficiency in the public and private sectors, connect people, transfer knowledge and skills, and enable countries to benefit from a globalized world. As a technological resource that can benefit the whole gamut of development programmes, ICTD services will be mainstreamed throughout the five MYFF goals.

36. Recognizing that gender equality and women's empowerment are integral to the development process, UNDP will continue to accord high priority to the gender dimension in all its programmes. Furthermore, it is increasingly

clear from evaluative studies and feedback from country programmes that this challenge can best be met by mainstreaming gender throughout the MYFF goals.

37. Of course, the neat divisions between the five goals of the MYFF are rarely, if ever, borne out in the actual implementation of programmes. Apart from the fact that the MDGs are an integrative framework drawn from across the development spectrum, the fundamental links between, say, poverty reduction and governance, or between the environment and poverty, are self-evident. The governance dimension must be infused through all the goals. Advocacy and support for national dialogue, for example, while placed in the MYFF under the first goal (achieving the MDGs and reducing human poverty) has clear and critical value for governance and environment programmes. Therefore, while the substantive distinctions between the MYFF goals are clearer at the service line level, practical considerations of programme planning, management and reporting have also played a part in the organization of MYFF goals and service lines.

V. Strategic results framework for 2004-2007

38. The conceptual foundations and strategic goals of the MYFF 2004-2007 detailed in the preceding chapters provide the basis for UNDP services over the next four years. These are expressed under the corporate SRF as a series of specific service lines.

A. A simpler, more focused SRF

39. In the first MYFF, the SRF comprised six goals, 14 sub-goals and 45 strategic areas of support. When applied in planning and reporting, this three-tiered structure was found heavy and over-designed, and therefore difficult to administer. As a result, based on feedback from country offices and headquarters, the second MYFF has been streamlined into a simpler, two-tiered arrangement that contemplates a reduced set of 30 service lines within five goals.

40. Service lines represent specific areas in which UNDP will contribute to development results at the country level. These are areas that present an established or emerging demand for UNDP services, and in which UNDP is considered to have comparative advantages through particular institutional strengths and competencies. While different service lines are often closely related and mutually interdependent in achieving results under a particular strategic goal, they remain fundamentally distinct in respect of the capacities and expertise they deliver, and in their specific contribution to the broader development agenda.

41. UNDP has applied strict criteria in selecting its 30 service lines, placing greatest emphasis on responding to country office demands in a way that both reinforces and reconciles strategic focus at the field and corporate levels. The organization has sought to stress those areas in which it maintains or is developing a comparative institutional strength. In general, each service line selected demonstrates at least some of the following characteristics:

(a) Record of results;
(b) Special contribution to advancing the MDGs;
(c) Existing institutional capacity and ability to mobilize further capacities as required;
(d) Special mandate assigned to UNDP, referencing its specific role within the United Nations system;
(e) Resource mobilization potential; and
(f) Value of UNDP country network, supported by SURFs and headquarters.

B. Capitalizing on the comparative strengths of UNDP

42. The MYFF report for 2000-2003 (DP/2003/12) and the accompanying conference room paper (DP/2003/CRP.14) detailed a number of areas in which UNDP made notable contributions to development results during the first MYFF period. These illustrations were important references in helping shape the new framework.

Similarly, the feedback on country demand, obtained through close consultation with both national counterparts and appropriate personnel throughout the organization, has helped to ensure that service lines are primarily driven by country priorities.

43. The emphasis that UNDP places on the MDGs is a distinguishing institutional characteristic reflected in a focus on capacity development as the common theme uniting the MDGs. Through an integrated approach that combines areas as distinct as crisis prevention and recovery, pro-poor policies, and justice and human rights, UNDP service lines are intended to serve as an operational expression of the holistic approach that underlies the MDGs.

44. As UNDP practitioners often provide substantive support that cuts across service lines, its own institutional capacity development is a critical consideration. In certain areas – for example parliamentary support and poverty monitoring – UNDP has established technical expertise and resource mobilization capacity. In others UNDP is supported by strong partnerships, such as with UNCDF in decentralization and microfinance, UNIFEM in gender mainstreaming and GEF in conservation and biodiversity. The cost-effective and, in many contexts, totally appropriate level of expertise provided by United Nations Volunteers is a comparative strength leveraged widely by UNDP programmes. This is particularly true in programme areas such as electoral support, local anti-poverty initiatives and post-conflict situations.

45. The selection of service lines also reflects special mandates held by UNDP and the specific role of the organization within the United Nations system. Global conferences such as the Millennium Summit and the World Summit on Sustainable Development provided for a distinctive role for UNDP in supporting programme countries and addressing the multiple dimensions of human poverty. In addition, UNDP continues to play a unique role as the operational arm of the United Nations system, particularly through its function as coordinator of United Nations activities at the country level. This responsibility is evident in a number of service lines where UNDP represents specialized agencies not resident in the country, as well as departments within the United Nations Secretariat. Such arrangements give programme countries access to the combined assets of the United Nations system and UNDP to leverage broader United Nations resources.

46. Another factor considered in developing the service lines was the potential for resource mobilization. During the period 2000-2003, UNDP spent approximately three-quarters of regular resources in areas related to poverty reduction and democratic governance. Two-thirds of donor co-financing, on the other hand, was deployed in the areas of energy and environment, and crisis prevention and recovery. Since the second MYFF represents the aggregate combined-resource scenario of UNDP for 2004-2007, it permits UNDP to plan across its mandated areas, balancing service lines and strategic goals.

47. The universal network of UNDP remains a highly valuable resource for the broader international development community, particularly in such areas as South-South cooperation and civil society empowerment. The global presence of the organization has been bolstered by the establishment of nine SURFs and by a leaner, more service-oriented headquarters. This combines with a flexible, inclusive, country-specific approach to serving vital – and at times sensitive – areas such as public administration reform and anti-corruption efforts. Typically these services involve results-oriented partnerships with Government, civil society, academia, the media and, increasingly, the private sector.

C. Strategic goals and service lines

48. Based on the above considerations, and within the framework of the strategic goals described in chapter IV, 30 distinct service lines have been defined in which UNDP-supported programmes will be engaged during 2004-2007. Taken together, these service lines constitute the SRF that is now being presented to the Executive Board for consideration. The table on the next page outlines the SRF and identifies the proposed service lines. Annex 1 provides a more detailed description of each service line, indicating its link to the MDGs, the justification for UNDP engagement based on comparative strengths, and an assessment of country demand for UNDP support in that area.

Table. Strategic goals and service lines of UNDP at a glance

Goal	Service lines
1. Achieving the MDGs and reducing human poverty	1.1 MDG country reporting and poverty monitoring 1.2 Pro-poor policy reform to achieve MDG targets 1.3 Local poverty initiatives, including microfinance 1.4 Globalization benefiting the poor 1.5 Private-sector development 1.6 Gender mainstreaming 1.7 Civil society empowerment 1.8 Making ICTD work for the poor
2. Fostering democratic governance	2.1 Policy support for democratic governance 2.2 Parliamentary development 2.3 Electoral systems and processes 2.4 Justice and human rights 2.5 E-governance and access to information 2.6 Decentralization, local governance and urban/rural development 2.7 Public administration reform and anti-corruption
3. Energy and environment for sustainable development	3.1 Frameworks and strategies for sustainable development 3.2 Effective water governance 3.3 Access to sustainable energy services 3.4 Sustainable land management to combat desertification and land degradation 3.5 Conservation and sustainable use of biodiversity 3.6 National/sectoral policy and planning to control emissions of ozone-depleting substances and persistent organic pollutants
4. Crisis prevention and recovery	4.1 Conflict prevention and peace building 4.2 Recovery 4.3 Small arms reduction, disarmament and demobilization 4.4 Mine action 4.5 Natural disaster reduction 4.6 Special initiatives for countries in transition
5. Responding to HIV/AIDS	5.1 Leadership and capacity development to address HIV/AIDS 5.2 Development planning, implementation and HIV/AIDS responses 5.3 Advocacy and communication to address HIV/AIDS

VI. Organizational strategies for the second MYFF period, 2004-2007

49. Enhancing development effectiveness is at the core of the proposed strategy for the second MYFF period. While programme countries remain principally responsible for their own development agendas, the organizational and resource policies of UNDP will significantly influence its ability to serve as an effective partner in achieving strategic goals. A framework that stresses development effectiveness as a key objective will provide a strong basis for measuring performance and promoting accountability within the organization.[1]

50. During the first MYFF period, UNDP introduced a wide range of change initiatives intended to enhance results-orientation within UNDP. With the MYFF 2004-2007, UNDP intends to consolidate and build on these initiatives, focusing on three principal groups of actions.

51. The first group will consist of actions to ensure that the pursuit of development effectiveness emphasizes responsiveness to objectives set by the programme countries themselves. It will focus on five key drivers of development effectiveness: (a) building national capacities; (b) promoting national ownership; (c) advocating and fostering an enabling policy environment; (d) promoting gender equity; and (e) forging strategic partnerships. These drivers are sometimes considered cross-cutting issues which need to be emphasized in all the service lines.

52. A second group will consist of actions to build the organizational capacities of UNDP, including initiatives to provide broad-based knowledge services and improve internal efficiency and performance.

53. Finally, in order to increase operational coherence in serving programme countries, a third group will comprise actions to deepen partnerships within the United Nations system and with the development community at both the operational and programme levels.

A. Contributing to development effectiveness at the country level

54. Recognizing that primary responsibility for formulating and implementing a national development agenda rests with the country itself, UNDP will seek to play an active role in promoting the drivers of development effectiveness identified above. While no single blueprint exists for advancing these priorities in different countries, common approaches can be developed and tailored for individual settings.[2]

A1. Developing national capacities

55. Development effectiveness is primarily a function of national capacity. All countries require skilled human resources to formulate a development agenda; strong institutions to implement and administer it; and a level of social cohesion that allows optimal interplay between individuals and institutions. For individuals, the primary need is for adequate income levels to achieve a decent standard of living and secure access to education and healthcare. At the institutional level, development change requires an efficient, accountable and transparent public sector, as well as a vibrant civil society. Finally, social networks critically influence communication links, societal trust, mechanisms for conflict resolution and the general ability of a society to engage in collective action. UNDP will capitalize on its unparalleled comparative advantages in these areas of national capacity development to help

[1] The concept of development effectiveness has been the focus of extensive discussion within UNDP (which publishes an annual *Development Effectiveness Report*), as well as within the multilateral community and OECD/DAC. It is recognized that ownership and responsibility for development outcomes (and therefore development effectiveness) must ultimately lie with national authorities. The effectiveness of a development organization (referred to as organizational effectiveness) is determined by measuring direct, accountable and attributable performance over which it has control. Measures of performance could include: the appropriate selection of strategic goals and their relevance to country needs, and the efficiency of delivery instruments, modalities and policies governing the programme of assistance.

[2] The data obtained from the assessment of country demand for UNDP support (referred to in paragraph 27) are also being analysed by different typologies of country situations, based, *inter alia*, on factors such as income (LDCs, MICs, NCCs, etc.). The analysis will be used to suggest policy and substantive support options for each category and identify possible organizational capacity needs for areas of demand.

countries meet complex development challenges[3].

A2. Enhancing national ownership

56. National ownership implies that programme countries assume principal responsibility for their development agendas. This requires meaningful participation by development beneficiaries and stakeholders in all stages of the development process, including a willingness to devote physical and human resources to the development effort. In promoting national ownership, UNDP will emphasize social inclusion and cooperation between the state and civil society, and will build on the success of such programs as MDG reporting, support to the poverty reduction strategy papers (PRSP) process, the national human development reports (NHDRs) and other national consensus-building initiatives, aid management and appropriate RBM systems.

A3. Advocating and fostering an enabling policy environment

57. The national policy environment is another key driver of development effectiveness. Policymaking plays an important role in signaling priorities, creating incentives, and ensuring the proper allocation of national resources to the development effort. Even when national ownership and execution capacities are high, a lack of long-term vision and strategic planning can hinder the development agenda. And unlike the relative universality across countries of effective national capacity development, creating an appropriate policy environment is highly country- and context-specific. UNDP is therefore well positioned to leverage its established local presence and development experience to serve as a powerful advocate and advisor on policy discourse and development.

A4. Promoting gender equality

58. As part of its holistic approach to issues of societal inequality, UNDP will continue to promote national efforts to promote gender equality across all sectors. Specific actions will be taken to infuse the gender perspective into all strategic goals. UNDP views gender mainstreaming as the systematic integration of gender equality objectives into policies, programme formulations, advocacy, monitoring and evaluation, and the establishment of good practices. The commitment to mainstream gender does not, of course, replace the need for targeted, gender-specific initiatives and affirmative actions, which will continue.

A5. Forging partnerships for results

59. The first MYFF emphasized strategic partnerships as an important mechanism to convert direct project outputs into broader development outcomes. Results-based data has helped country offices identify where such partnerships might be of value. The second MYFF further prioritizes the development of strategic partnerships in all programme areas, with a particular focus on the achievement of MDG targets and addressing the singular challenges posed by countries recovering from crisis or undergoing democratic transformation.

60. As a matter of policy UNDP has consistently encouraged cooperative exchanges of knowledge, skills, resources and technical know-how between developing countries. Recognizing the value of developing these partnerships, South-South cooperation will be an important element of the corporate and country-level partnership strategies during the second MYFF period. UNDP considers active collaboration among developing countries particularly relevant in high priority areas such as trade and investment, debt, the environment, poverty alleviation, production and employment, macroeconomic policy coordination, and aid management.

B. Building organizational capacity for development effectiveness

61. UNDP will continue to enhance its organizational capacity to deliver timely, effective services that promote programme countries' achievement of both the MDGs and their individual national development goals. In doing so the organization will focus on two key areas: (a) providing coherent, knowledge-based services through the

[3] Drawing from its operational experience, policy analysis, and evaluative work, UNDP has examined in detail the issues of capacity development, ownership, and the role of knowledge in promoting development in its publication *Capacity for Development: New Solutions to Old Problems*, released in 2002.

development of practices and well-formulated service lines; and (b) improving the efficiency and performance of UNDP in delivering such services.

62. Central to this strategy is enhancing the operational capacity of the organization to implement an ambitious development agenda. UNDP intends to continue the significant investments made over the past several years in aligning staff competencies and implementing a state-of-the-art ICT platform.

63. The unique role of UNDP in crisis prevention and recovery requires an enhanced level of capacity that has evolved over the years based on requests from programme countries. Changes in global conditions since September 2001 have resulted in greater demand for UNDP services in this area. This is being addressed in the biennial support budget, which proposes a more realistic regular funding base.

B1. Providing knowledge services

64. In cementing its position as a knowledge-based organization capable of managing a network across the United Nations system, UNDP will continue to develop value-added content with sharp, innovative products and services that better enable country offices to advance national development goals. This has implications, in particular, in terms of enhancing staff participation in the practices, strengthening the support provided through the sub-regional resource facility (SURF) system, and upgrading information and communication technology for knowledge management. In this respect, key initiatives will include:

Establishing practices in areas of need and enhancing staff participation in the practices

65. The establishment of practices is a critical element of the UNDP strategy to provide knowledge services. Implementing the practices is part of a broad corporate objective to develop the ability of the organization to provide high-quality support to programme countries on request, in a manner tailored to their specific needs. The strategy adopted by the practice initiative is to create a strong internal culture in which all staff collaborate systematically, sharing knowledge and ideas with each other between regions across the globe, through voluntary, flexible communities based on a common professional interest. UNDP has a vast, varied experience base within its network, and each thematic practice distills lessons learned and identifies best practices for wider dissemination. Not only are the practices forums for communication, they also have a significantly wider range of organizational functions including knowledge management, advocacy, partnership building, learning and professional development, and providing programme countries access to substantive resources (rosters of experts, co-financing possibilities, etc.). UNDP is developing instruments and incentives to encourage and monitor staff participation in the practices.

66. While there is a close correlation between the goals of the second MYFF and practice areas, a one-to-one correspondence between the two is unlikely. The Administrator and senior managers must always be alert to emerging areas of demand in programme countries and establish increasingly effective ways to combine service lines as this demand evolves. Currently, an area in which UNDP is detecting new demand is domestic private sector development; this has been reflected in the new SRF. Further refinements are likely to emerge from ongoing assessments, from which UNDP can define a role that is both distinct and that complements the IFC, the World Bank, and others. Similarly, cross-cutting themes mainstreamed across the MYFF goals may justify a practice of their own.

67. To date, six distinct development practice areas have been identified and established by the Administrator, several of which overlap with the goals of the second MYFF: poverty reduction, democratic governance, energy and environment, crisis prevention and recovery, HIV/AIDS, and information and communication technology. UNDP is currently looking at merging the ICTD practice area into the poverty reduction and democratic governance areas. In addition, a 'functional' practice has been established in the area of management.

Strengthening and sustaining policy and substantive support services

68. Together with the knowledge networks, the SURFs are the backbone of the transformation of UNDP into a knowledge-based organization. They provide country offices with technical and policy advice, referrals, comparative experiences and issues-based applied research from specialists with in-depth, multi-disciplinary knowledge of the regions in which they operate. Work will continue during the second MYFF period to maximize

the effectiveness of the SURFs; ensure their financial sustainability; develop an institutional sense of ownership; and build closer linkages with regional programmes.

Increasing learning and training

69. The positioning of UNDP as a knowledge-oriented, practice-based organization and the demands placed on it in a rapidly changing environment necessitate a steady investment in staff learning. The organization and its staff must be equipped with relevant skills and competencies to remain competitive in the market for advisory and development services. The practice structure adopted by UNDP also demands that staff maintain substantive, up-to-date knowledge of the service lines offered by the organization. The key drivers in this area will be to develop coordinated learning strategies and approaches that reach the largest population of staff in the most cost-effective fashion. In recognition of the need for a new approach to learning, UNDP has revamped its Learning Resource Centre and established the Virtual Development Academy to develop and disseminate its learning products more effectively.

Upgrading ICT for knowledge management

70. Appropriate technology is an essential ingredient in positioning UNDP as a truly knowledge-driven organization. To this end, the ICT strategy will focus on establishing an adequate platform to facilitate the use of on-line collaborative tools, content and document management, and the sharing of experiences and best practices.

B2. Improving efficiency and performance

71. A critical asset for UNDP is its capacity to respond quickly and efficiently to the changing needs of programme countries. Country offices are central to achieving such a response, and continued attention will be given to their institutional and human capacity. Key initiatives in this regard will include:

Building regional support facilities to enhance country office capacities

72. UNDP will implement important pilot initiatives to rationalize different tiers of management and operations between corporate, regional and country partners. The objective is to create a critical mass of advisory, programme and operational capacity at the sub-regional level, which will achieve maximum economies of scale by pooling resources in supporting country offices. This will extend the concept of a matrix organization, introduced in UNDP Headquarters in 2000, to the country and regional levels.

73. The expanded sub-regional facilities would be under decentralized regional bureau oversight and have matrix management arrangements with central units such as the Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery, the Bureau of Management and the Bureau for Resources and Strategic Partnerships. Initial pilot projects will be carried out in the Africa, Asia, Europe and the CIS, and Latin America and the Caribbean regions.

74. The long-term objective is an organizational structure characterized by:

(a) A small core presence at headquarters giving overall direction, coordination, and oversight and providing high level strategic services;
(b) A number of regional support centres providing advisory and troubleshooting support to country offices;
(c) One or more shared services centres dealing with transactional work; and
(d) More rationalized division of responsibilities between country offices and regional/corporate levels, focusing country offices on development work and clustering operational support.

Improving client service and productivity through leveraging Enterprise Resources Planning and re-engineering

75. Efficiency and cost effectiveness will continue to be paramount for headquarters and country office operations. Business process re-engineering and the maximum utilization of information and communication technology will continue to be key management priorities. The implementation of the Enterprise Resources Planning (ERP) system will support the organization in this regard. Once fully implemented during 2004-2005, ERP will have a considerable impact on UNDP operations, including opportunities for a further consolidation of functions.

Improving people management

76. People are key to performance improvement, and the success of UNDP will depend largely on the capacity of its staff to deliver on organizational goals. To this end, UNDP will continue to ensure that it attracts, retains and develops appropriate talent through proactive planning and workforce management. This will include rejuvenating the staff base by increasing the number of entry-level positions. Implementation of the ERP system will streamline talent management by permitting the establishment of talent pools with sufficient depth and choice to fill critical vacancies (not least in crisis situations). It will facilitate investment in learning; stronger performance management, career management, coaching and mentoring; divestment of inappropriate profiles; and incentives and rewards for performance.

Increasing flexibility in the deployment of resources

77. The organization will also increase its flexibility in assigning resources (human and financial) to enable rapid deployment where and when needed. The capacity for such rapid deployment offers UNDP a comparative advantage in responding to programme country needs, as has been demonstrated in crisis situations in the past. In order to sustain and strengthen this capacity, the biennial budget estimates for 2004-2005 (DP/2003/28) introduce the concept of a base structure for country offices and headquarters. This will facilitate the redeployment of resources according to needs, while respecting the established distribution of resources among regions.

Enhancing oversight and accountability

78. The emphasis of the past four years on enhancing oversight and accountability will continue. The use of RBM has become central to UNDP in driving development, management and staff performance towards improved organizational effectiveness. A framework of results-based planning and performance management instruments that cascades from the organizational level through the unit and country-office level to the individual staff member has been established, focusing on both developmental and managerial activities. Other dimensions of the increased stress on accountability and client orientation are the annual partnership survey and global staff survey. These surveys gather valuable feedback from external partners and staff members, respectively. The results of the surveys, which are available to all staff, serve also to guide managers in improving their performance.

79. The second MYFF provides an opportunity to enhance this system by introducing an integrated performance management framework, bringing the different perspectives of organizational effectiveness together into a single balanced scorecard. In addition, institutional arrangements for oversight will be reviewed to reflect organizational change and re-engineering. Matrix arrangements will be updated to support the expansion of the regional support facility, while work will continue on increasing synergies between audit and evaluation functions.

C. Deepening partnerships within and outside the United Nations system

80. As manager and funder of the resident coordinator system, UNDP must maintain its capacity to lead the United Nations team at the country level, promoting a coherent, effective development effort. Recognizing that numerous stakeholders must collaborate in order to achieve development change, UNDP intends to enhance and deepen partnerships within the United Nations system and with external counterparts.

81. The report of the Secretary-General *Strengthening of the United Nations: an agenda for further change* identifies challenges that the United Nations must meet in adapting to globalization and its impact on development, the pursuit of the MDGs, and conflict prevention. The central message is that the United Nations must deepen its knowledge base, sharpen its focus and act more effectively as an instrument for pursuing the priorities adopted in the Millennium Declaration.

82. For UNDP, this entails an obligation to continue championing reform efforts within the United Nations Development Group and enhancing performance and effectiveness at the country level. In this respect, the main initiatives will include:

C1. Strengthening the resident coordinator role in building partnerships around the MDGs

83. A major role of the resident coordinator is to promote the MDGs by engaging country-level development partners in policy dialogue while bringing together the operational arms of the United Nations system for a strengthened country presence. To support this role, UNDP will continue to strengthen the coordination function. Quality control on the selection of resident coordinators will intensify with the identification of highly qualified people – respecting gender and North/South balance – and systematic training for competency assessment. In addition, the organization will implement initiatives to further integrate and strengthen the impact of the United Nations system while raising the profile of UNDP in building capacities at country level.

84. Strategic partnerships are key for UNDP and allow the organization to leverage its expertise and deliver on development outcomes. UNDP must invest more in cultivating existing partnerships and forging new ones. This is particularly significant for the organization in its role of scorekeeper and campaign manager for the MDGs. There is also a clear need to enhance country offices' capacities to enter into meaningful partnerships – particularly in low-income countries where the need is greatest. An emerging area is that of public-private partnerships, where a number of promising collaborative initiatives will be pursued in support of national development priorities and the core goals of UNDP.

C2. Implementing the simplification and harmonization agenda to enhance collective impact at the country level

85. The initiative for simplification and harmonization is centred on national ownership and capacity development. It is designed to make collaboration with programme countries more effective by reducing transaction costs and building on best practices. Specific measures include initiatives such as: joint programming; pooling of resources; common databases and knowledge networks; dedicated support for the resident coordinator; and integrated planning, budgeting and resource mobilization tools for countries emerging from conflict. UNDP also plans to pilot the 'joint office model' in at least two countries, in partnership with UNFPA and UNICEF.

86. In the operational sphere, to optimize use of resources, improve operational synergy, and project a unified image of the United Nations within a country, UNDP will move as rapidly as possible towards sharing common office space and utilizing common service providers with other United Nations organizations. While there are currently over 50 United Nations Houses in programme countries occupied by three or more agencies, significant scope remains for further consolidation. UNDP will continue to provide operational support and services to the common United Nations system as needed.

VII. The integrated resources framework 2004-2007

87. The integrated resources framework (IRF) brings together all donor and local funding sources covering programme, programme support, management and administration, and support to operational activities of the United Nations. The IRF, together with the SRF described in chapter V above, constitutes the second MYFF.

88. The IRF covering the four-year period 2004-2007 is presented as annex 2. It reflects the programming arrangements for the period, as approved by the Executive Board in its decision 2002/18. It also provides projections of support budgets for the periods 2004-2005 and 2006-2007 based on the current submission of budget estimates for the 2004-2005 biennium (DP/2003/28) to the Executive Board for its consideration.

89. The income assumptions underlying the IRF are as follows:

(a) *Regular resources.* It is assumed that within the framework of the second MYFF, voluntary contributions to UNDP core resources will increase to $800 million in 2004, $900 million in 2005, $1 000 million in 2006, and to $1 100 million in 2007.[4]

[4] This assumes the $3 800 million resource base originally envisaged in the 2000-2003 IRF, as reflected in document DP/1999/30. It represents an increase of $800 million over the revised 2000-2003 IRF estimate of $3 000 million reflected in document DP/2001/25.

(b) *Other resources (donor co-financing).* Donor co-financing in the form of cost sharing and trust fund contributions is projected at $3 600 million during the 2004-2007 period. This is based on an assumed 10 per cent increase in the 2004-05 period over the actuals in the earlier period.[5]

(c) *Other resources (local).* Government cost-sharing contributions are projected at $4 200 million during the 2004-2007 period. This is based on actual 2001-2002 contributions of $2 052 million, adjusted for a 2 per cent increase in the 2004-2005 period.[6]

90. Thus, total resources projected for the 2004-2007 MYFF period amount to $11 600 million. This is $1 500 million, or about 15 per cent, more than originally estimated for the 2000-2003 period, and $2 200 million, or about 23 per cent, more than the revised estimates for the 2000-2003 period.

91. Approximately $9 992 million, or 86 per cent of all projected MYFF resources, will be invested in programme activities. The balance of $1 648 million, or 14 per cent, is earmarked for support budget activities, including: programme support (9 per cent); management and administration (2 per cent); and support to the United Nations operational activities (3 per cent). Please refer to annex 3. Total donor resources (regular and co-financing) are projected to be $7 761 million, or 67 per cent of the total. Approximately $1 525 million, or 20 per cent of total donor resources, are earmarked for support budget activities.

VIII. Conclusion

92. This document has described the strategic goals and service lines to be pursued by UNDP during 2004-2007, and has detailed the organizational strategies that will be followed over the second MYFF period. Anchored in the global consensus on development goals as represented by the MDGs, validated by the reality of country-level demand for UNDP support, and strengthened by a clear plan for internal reform in order to make UNDP a more effective organization, the MYFF 2004-2007 will serve as a key instrument for strategic management, monitoring and accountability. Accordingly, UNDP hopes that the Executive Board will, in turn, use the second MYFF to oversee its progress and hold it accountable for results.

93. In order for the second MYFF to be implemented effectively, the availability of resources as planned for is, of course, vital. Although UNDP is funded from multiple sources, both regular (core) and other (non-core), the achievement of targeted regular contributions is particularly important. Yet it remains a matter of grave concern, as past targets for regular resources have not been met. The UNDP presence in programme countries, which allows its programmes to be country focused and on which the resident coordinator system is based, would be compromised without the funding base arising from voluntary contributions. While the downward trend in regular resource contributions has been reversed, the current projection for 2003 remains far below the 2003 MYFF target. It is therefore critical for regular resource contributions to be brought fully into line with MYFF projections.

94. The Administrator seeks the guidance and endorsement of the Executive Board with respect to the second MYFF proposals, and urges the provision of the required resources to implement them fully.

[5] Actual resources for the period 2001-02 comprised $422 million for cost sharing and $1 221 million for trust funds. The $3 600 million estimate for 2004-2007 exceeds the corresponding initial $2 100 million estimate for the 2000-2003 IRF reflected in document DP/1999/30, which was subsequently revised upwards to $2 600 million in document DP/2001/25.

[6] The $4 200 million estimate exceeds the corresponding initial $3 900 million estimate for the 2000-2003 IRF reflected in document DP/1999/30, which was subsequently revised downwards to $3 800 million in document DP/2001/25.

Annex 1: UNDP goals and service lines for 2004-2007

Goal 1. Achieving the MDGs and reducing human poverty

Service line 1.1 MDG country reporting and poverty monitoring

UNDP supports the preparation of MDG country reports as a tool for public advocacy and NHDRs as a tool for policy advocacy among major stakeholders to trigger action for human development. Key priorities include the building of statistical capacity for monitoring poverty and inequality, the use of statistics for improving policy design and the generation of public demand for statistics on human development.

Link to MDGs

This service line helps to inform national debate on the MDGs by promoting national ownership of the MDGs, establishing national dialogue to tailor the MDGs to country-specific contexts and galvanizing national efforts around the MDGs. Data produced through poverty monitoring will help promote public accountability for improving policy design and implementation. MDG costing will help to improve donor co-ordination and advocate for faster debt relief.

Comparative strengths of UNDP

UNDP promotes: the strengthening national capacities for data collection, analysis and dissemination; use of the NHDR as a tool for national policy debate and policy advocacy; and setting benchmark indicators to monitor MDG progress.

The comparative strength of UNDP in this area is built on:

- Promoting multi-stakeholder participation in the development dialogue, especially engaging CSOs in the MDG reporting and policy dialogue
- Non-sectoral mandate in pursuing an integrated approach to development consistent with the MDGs
- Pursuing a multi-faceted, equity-driven, gender-sensitive and participatory approach to capacity development for poverty reduction
- The mandate to coordinate United Nations country team efforts in MDG country reporting.

In the second MYFF, coordinated United Nations support for the monitoring of national commitments will grow to embrace: joint advocacy, planning, implementation and evaluation of those commitments as they relate to the specific challenges of human development in each programme country.

Country demand

Almost all UNDP country offices have set targets in this area. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 1.2 Pro-poor policy reform to achieve MDG targets

UNDP supports the formulation of poverty reduction strategies (including PRSPs to help countries pursue national MDG targets). This involves support to linking poverty reduction strategies to: (a) economic policies for pro-poor growth; (b) budgeting, including expenditures and taxation; (c) national employment strategies; and (d) poverty-focused social security, including safety nets.

Link to MDGs

UNDP supports the linking of poverty reduction strategies (including PRSPs) to the MDGs through policies that help mobilize domestic resources; focus public resources on poverty reduction; centre the macro-economic policy framework on poverty reduction; foster a pattern of growth that is pro-poor and pro-jobs; address equity as a central policy concern; and provide the poor with social protection.

Comparative strengths of UNDP

The comparative strength of UNDP in this area stems from:

- Neutrality, the ability to broaden policy dialogues and extensive experience in poverty reduction strategies
- Coordinating the United Nations country team in PRSP processes to help provide comprehensive policy advisory services
- A human development mandate, which is an asset in promoting coherent national-level pro-poor economic and social policies
- Pioneering regional programmes on macro-economic and trade policies that help to broaden the policy dialogue on poverty reduction issues
- Ability to mobilize resources in this area.

Country demand

Almost all UNDP country offices have set targets in this area. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 1.3 Local poverty initiatives, including microfinance

As part of its anti-poverty strategy, UNDP supports both national strategies for microfinance and capacity development to build strategic partnerships for sustainable microfinance programmes. UNDP supports local-level poverty initiatives including microfinance strategies, employment and income generation; access by poor people to productive resources and basic social service; and provision of social safety nets for vulnerable groups. The UNDP focus on capacity development and learning will make them replicable and influential for policy-making.

Link to MDGs

Achieving the MDGs at the national level will require targeted interventions at the local level. Access to microfinance, productive resources and basic social services will help the poor overcome human poverty. Developing capacities and strategic partnerships, including through public-private partnerships, will contribute to the tailoring of MDG targets to the local context and priorities.

Comparative strengths of UNDP

The comparative strength of UNDP in this area derives from:

- Targeted support to poverty reduction at the local community level with poverty issues increasingly being integrated into governance and social mobilization
- Programme approaches that correspond to diverse development targets
- Enhanced links between community-level initiatives and national economic and social policy reforms
- Close partnership with UNCDF in microfinance. UNDP draws on expertise in the Special Unit for Microfinance of UNCDF. UNCDF obtains outreach capacity through the UNDP network of country offices (the UNGA is likely to invite UNCDF to help coordinate United Nations activities during the International Year of Microcredit in 2005)
- Drawing on United Nations Volunteers for appropriate, cost-effective contributions to local anti-poverty initiatives and for promoting volunteerism
- Ability to mobilize resources in this area

Under the second MYFF, UNDP will continue to sharpen its focus in local anti-poverty initiatives while adding value by translating them into changes in policy-making.

Country demand

Seventy-eight country offices pursued results in this area during 2000-2003.

Service line 1.4 Globalization benefiting the poor

UNDP supports public and policy advocacy for debt relief to help close the MDG financing gap. It advocates linking trade policies to human development while developing capacity for integrating trade policies into national anti-poverty strategies through the Integrated Framework in least-developed countries (LDCs). UNDP supports the formulation of national ICT strategies that contribute to reducing poverty. The service line also addresses support to aid coordination, and harmonization of donor practices at the country level to improve development effectiveness towards the MDGs.

Link to MDGs

UNDP contributes to the strengthening of the global partnership for development. It helps programme countries maximize their benefits from globalization through better use of development finance and improved capacity for negotiations on trade and debt relief from a perspective of human development. UNDP helps countries develop capacities to analyse how trade, debt relief, market access and technology transfers can maximize progress towards achieving the MDGs, and will use this for informing the MDG campaign.

Comparative strengths of UNDP

UNDP has a long-standing mandate to support national aid coordination and management and is well positioned to advocate effectively for globalization that works for poor people and other disadvantaged groups, particularly in the LDCs. Following the adoption of the United Nations Millennium Declaration, the Monterey Consensus, the Doha ministerial declaration and the World Summit on Sustainable Development in Johannesburg, UNDP is seen by programme countries as:

- A central player in helping them to mobilize and manage resources more effectively and equitably
- Providing a coordinated approach towards capacity development initiatives
- Ensuring that development resources, trade and debt relief benefit the poor
- Helping make ICT work for the poor
- Having the ability to mobilize resources in this area

Country demand

Fifty-three country offices pursued results in this area during 2000-2003.

Service line 1.5 Private sector development

UNDP supports locally-led private sector development by supporting: (a) the creation of a stable, predictable and transparent policy environment to mobilize domestic savings and investment (including investment from a country's diaspora) and attract and sustain international investment and assistance; (b) the efficacy, coherence and consistency of policies and legal and regulatory reform that can encourage a competitive, socially and environmentally responsible private sector suited to individual country needs; and (c) policies, regulation, instruments and tools to benefit small and medium-sized enterprises (SMEs) and SME infrastructure in rural and urban areas, with special emphasis on women and youth. As countries pursue their MDG targets, each must consider the appropriate role for, and relationship between, state, civil society and the private sector. UNDP draws on appropriate best practices and encourages South-South cooperation for learning and sharing lessons.

Link to MDGs

In an increasingly globalized and interconnected world, progress towards the MDGs depends heavily on sustainable economic activity at local, national, regional and international levels. The scope of the MDGs is such that they cannot be achieved without private sector participation. This understanding was apparent at the Monterey conference on Financing for Development in 2002 and drove the United Nations and UNDP to form a high-level commission on the private sector and development in 2003. While the commission works towards its recommendations, UNDP will seek to support a people-centred, gender-sensitive and environmentally sustainable approach to private sector development that helps to enlarge domestic and international economic opportunities for the local business sector. UNDP believes that social inclusion and economic growth can be mutually supportive and considers public-private partnerships vital in harnessing and directing resources for results.

Comparative strengths of UNDP

The comparative strengths of UNDP in this area derive from:

- Linkages between its pro-poor agenda and the development of an indigenous private sector
- Linkages between its democratic governance agenda and the policy environment for private sector development
- The experience of its global network in supporting multi-stakeholder partnerships
- Practical, widespread experience in the promotion and development of the indigenous private sector

Country demand

Thirty-four of the 95 country offices[7] envisage activities in this area during 2004-2007.

[7] Ninety-five country offices participated in the assessment that validated the service lines contained in the SRF for 2004-2007. The exercise is described in chapter IV of this document.

Service line 1.6 Gender mainstreaming

UNDP supports multi-stakeholder participation, including advocacy for gender-sensitive MDG targets; sex-disaggregated data; and gender-sensitive budgets. UNDP provides support in leadership development, including capacity development of women's networks to take part in the policy debate on poverty; capacity development for knowledge-based, gender-sensitive policy analysis; and innovative approaches to support women parliamentarians and leaders of civil society organizations.

Link to MDGs

UNDP contributes to achievement of the MDGs by: (a) documenting and advocating that gender equality is central to achieving the MDGs; (b) developing capacity for gender-sensitive analysis; (c) debating gender dimensions of national budget, economic and social policies, and poverty reduction strategies; and (d) informing the MDG campaign.

Comparative strengths of UNDP

UNDP has programmes in 90 countries where gender mainstreaming is an active priority. The comparative strength of UNDP lies in:

- Strengthening policies and laws
- Developing capacity to advance gender equality and gender mainstreaming in governments
- Promoting gender dialogue among key national stakeholders, including civil society
- Linking MDGs to the PRSP process by using gender budgeting and GDI and GEM indicators
- Pursuing gender equality across all thematic areas – not just MDG3
- Partnership with UNIFEM, allowing direct access to other networks and pools of expertise

Country demand

Forty-eight of the 95 UNDP country offices envisage activities during 2004-2007. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 1.7 Civil society empowerment

UNDP encourages partnerships with civil society organizations in MDG reporting and in policy advocacy. Through facilitation, UNDP ensures CSO involvement in poverty reduction strategies and PRSP processes, including participatory monitoring mechanisms. Participation also extends to multi-stakeholder policy dialogue, which includes CSO involvement in pro-poor policy reform, trade, aid and the debt debate.

Link to MDGs

The objective of UNDP is to engage CSOs in a coalition around the MDGs at the country level, thus making MDG processes more inclusive. UNDP will help create space for CSO involvement in MDG and PRSP monitoring and reporting, develop capacity for CSO participation in MDG and PRSP processes, and involve CSOs in MDG campaigns.

Comparative strengths of UNDP

The MDGs have given new impetus to the convening role of UNDP in programme countries. The comparative strengths of UNDP in this area include the following:

- Supporting inclusive processes to encourage dialogue between government and civil society on policy
- Advocating for an enabling legal and regulatory environment where CSOs could contribute more to the development process
- Empowering civil society in one country by connecting it to knowledge, experience and resources from elsewhere in the South and from around the world, thus helping develop civil society capacities to engage in the development process more actively

Country demand

Thirty-six of the 95 UNDP country offices pursued results in this area during 2000-2003.

Service line 1.8 Making ICTD work for the poor

UNDP assists countries in the preparation of policy frameworks and national ICT strategies, and in fostering the integration of ICTs into key national development priorities such as poverty reduction strategies, PRSPs and national development plans. It also supports ICT for development programmes to implement strategic priorities, including the MDGs, and to strengthen capacity for innovation and implementation. A particular focus area is the use of ICT to increase learning, access and equity in education and enhance capacity development opportunities for women, youth and marginalized groups.

Link to MDGs

The linkage between ICT and the MDGs is an emerging area where UNDP is making an important contribution at both the analytical/policy and implementation levels. At the global level it is not only highlighting the development potential of the new technologies, it is coordinating research that can make the case more effectively to decision-makers and working to enable new partnership models to contribute towards implementation.

UNDP is assisting countries assess how ICT can best contribute to the achievement of MDGs in their own national context and how they can move towards more strategic approaches that effectively link their ICT and their development strategies. This makes the achievement of MDGs and national development targets more tenable. It facilitates new types of development solutions; permits basic services (in healthcare and education, for example) to be provided with greater coverage at a lower cost; and facilitates access to information and the involvement of stakeholders through greater transparency and support to networking at every stage, thus enhancing the capacity to achieve the MDGs as well as to track and report on progress.

Comparative strengths of UNDP

The comparative strengths of UNDP in this area derive from:

- A holistic policy framework (the Digital Opportunity Initiative) and a multi-stakeholder, participatory approach to ICT for development that enhances the sustainability and impact of ICT, avoiding the pitfalls of both infrastructure and purely sector-driven approaches
- Its ability to effectively link development goals to ICT and vice versa, drawing on its global expertise in these areas as well as its role as a trusted and neutral partner at the country level
- Its flexibility and responsiveness as an organization, moving between downstream projects and activities and upstream policy and strategy implementation issues, while ensuring linkages between the two levels
- A good record in creating national capacity (more than half of the projects set up under its Sustainable Networking Development Programme have become independent and sustainable)
- Its role in addressing global advocacy and partnership issues through active participation in global forums (UNDP leads the United Nations ICT Task Force in national e-strategies, the World Summit on Information Society, the 'ICT4D platform' committee on e-strategies, and played a critical role in the development of the plan of action of the G-8 Digital Opportunity Task Force)

Country demand

Forty-seven of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Goal 2. Fostering democratic governance

Service line 2.1 Policy support for democratic governance
UNDP advocates and supports dialogue that contributes to democratic governance. More precisely, UNDP contributes to activities that: (a) enhance the national debate on responsive governance and democratization, including in post-crisis and transitional countries; and (b) lead to the consensual formulation of broad-based national governance programmes.
Link to MDGs Responsive governance at all levels of society helps to provide an enabling environment for countries to achieve their MDG targets, in particular the elimination of human poverty. World leaders undertook in the Millennium Declaration to "spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development." The prominence of UNDP in support of democratic governance can help translate these commitments into policy.
Comparative strengths of UNDP Based on the number of countries now requesting UNDP support in this field, democratic policy reform has emerged as a major focus of UNDP interventions in democratic governance. The comparative strength of UNDP in this area derives from: ▪ The convening role and neutrality of the organization ▪ A strong tradition of active support, now backed up by a dynamic community of practice
Country demand Thirty-two of the 95 UNDP country offices envisage activities during 2004-2007. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 2.2 Parliamentary development

Strengthening the fundamental representative, legislative and oversight roles of parliaments is a core activity of UNDP support to parliamentary development. UNDP provides support to ensure that legislatures have the capacity, resources and necessary independence to carry out these functions effectively.

Link to MDGs

UNDP helps reinforce the role of parliaments in holding governments accountable for policy commitments and the use of resources for poverty reduction. In particular, the budget analysis capacity of parliamentary budget committees can be strengthened to help ensure that national allocations match MDG plans and commitments.

Comparative strength of UNDP

UNDP has a trusted relationship with its programme country partners. Approximately half of the UNDP country offices request and report on services under this line. The comparative strengths of UNDP in this area include:

- Long-term, established presence
- Role in post-conflict nation building
- Ability to provide follow-up to electoral support services
- Internal policy advisory capacity
- Capacity to mobilize both partnerships with donors and service providers, and resources

Country demand

Thirty of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Service line 2.3 Electoral systems and processes

Elections are the cornerstone of democratic governance. In this service line, the focus of UNDP is on sustainable, transparent electoral processes that allow all citizens to elect their representatives freely and hold them accountable for commitments and results.

Link to MDGs

National and sub-national elections remain turnkey moments in the life of democratic life. UNDP will focus on achieving a balance between short-term, event-specific election support and longer-term support to electoral systems and processes that help to sustain democratic principles throughout societies and their institutions. Civic and voter education increases the awareness of the right to participation and of the accountability of public representatives and officials.

Comparative strengths of UNDP

The comparative strength of UNDP in this area emerges from:

- Major involvement in most elections conducted in developing countries in recent years
- Use of elections as an entry point for support to broader governance programmes
- Trust of national governments fundamental for electoral support
- Fairness and impartiality/neutrality of UNDP
- A unique role in coordination and implementation role that bilateral donors cannot play in elections
- Drawing on United Nations Volunteers for appropriate, cost-effective support
- Ability to mobilize resources in this area

UNDP partners with the Electoral Assistance Division of UNDPA, while occupying a clearly distinct role that involves donor coordination, institutional capacity development of electoral management bodies and involvement of civil society in electoral processes. This reflects the programming mandate of UNDP and its long-term advocacy of, and considerable expertise in, donor coordination of electoral support. Twenty six countries received UNDP electoral assistance in 2002.

Country demand

Twenty-nine of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Service line 2.4 Justice and human rights

The justice sector programme of UNDP is concerned with the independence, impartiality and fairness of judges, legal literacy, legal aid, pro-poor laws and civic participation in legal and judicial reform. Key features of the work of UNDP in the area of human rights and human security include: support to the development of national human rights action plans; application of the rights-based approach to programming; assistance for human rights initiatives involving civic education, awareness-raising campaigns, strengthening or creation of ombudsman offices and extension of human rights institutions to the sub-national level.

In crisis countries, UNDP addresses security sector and transitional justice reform in a holistic manner to ensure physical security, equity, due process, maintenance of public order and enforcement of the rule of law. To achieve these outcomes, UNDP promotes and supports the strengthening of justice and security sector policy and activities.

Link to MDGs

Justice and human rights are fundamental components of human development, as they ensure the protection, empowerment and dignity of all citizens and help to ensure equality of opportunity, a key driver towards the MDGs. UNDP support to institutionalizing human rights reinforces the rights-based character of policy and public life, making the persistence of human deprivations less acceptable. Support to a functioning, accessible and transparent justice system, institutions and services (including legal aid) means that poor people and other disadvantaged groups have protection, representation and recourse to hold the resource-rich accountable for commitments services included in the MDGs and their targets.

Comparative strength of UNDP

The human rights-based approach to development is an inter-agency concern in which UNDP:

- Reflects the full mandate of the United Nations for peace, security and human development (and is alone among United Nations agencies in doing so) into which human rights considerations can be mainstreamed
- Considers the lack of access to justice as a defining characteristic of human poverty, a challenge to be overcome through rights-based approaches
- Coordinates among United Nations agencies, thus enabling it to introduce rights-based approaches throughout United Nations country teams

Country demand

Fifty-eight of the 95 UNDP country offices envisage activities in this area. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 2.5 E-governance and access to information

UNDP helps countries by facilitating access to information and enhancing citizen voices in decision-making. As democratic governance involves public debate and open decision-making, the organization of interest groups and the free exchange of ideas, opinions and information is essential. To a greater degree than ever, an open media provides a critical measure of progress towards democracy and the effectiveness of development interventions. Access to information and the right to freedom of expression are critical to human rights and form central elements in ensuring the voice and participation necessary for a democratic, civil society and responsive development policies and strategies.

UNDP works with both traditional and new media that facilitate new ways of providing, accessing and exchanging information, as well as contributing inputs to decision-making.

Link to MDGs

UNDP helps governments to enhance access to information, complementing information sharing on the part of national and local public authorities by supporting the strengthening of citizen voices and capacities for participatory and broad-based national development strategies – all critical to the achievement of the MDGs. It helps countries establish the policy frameworks and strategies that underpin a democratic and vibrant media sector that can provide timely, reliable information on public policies, market trends and economic prospects, corruption, and civil, political, social and economic rights. It addresses the challenges and opportunities posed by ICT so as to foster an open, inclusive information environment and enable ICT to facilitate cost-effective information solutions that can both complement and move beyond traditional forms of media. UNDP support helps implement e-governance and access to information initiatives that foster accountability and transparency on the part of government as well as facilitate citizen participation in implementing MDG strategies and tracking their progress.

Comparative strengths of UNDP

UNDP has over 10 years of experience in supporting access to information, working at both policy and downstream levels. Its comparative strengths in this are include:

- Its neutrality and trusted relationship with governments, enabling it to work on upstream issues, such as the development of pluralist media policy frameworks (in over 15 countries)
- A record of fostering access to and sharing of information among all sections of society through its Sustainable Development Networking Programme (in over 40 countries)
- Particular attention to enhancing community and citizen inputs into decision-making as well as providing policy expertise on issues relating to governance of media and ICT (in 60 countries)
- Experience with e-governance initiatives, facilitating effective links between citizens and local/central government to bring about more inclusive, participatory policy-making (in nearly 20 countries)
- Its ability to innovate pro-poor actions owing to its country experience, global knowledge network and expertise in the areas of democratic governance, poverty reduction and information and communication technologies

Country demand

Sixty of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Service line 2.6 Decentralization, local governance and urban/rural development

Decentralization and local governance have become important areas of support, encompassing the review and reform of legislation and policies; capacity development (especially for local government planning and fiscal management); and inclusive systems of consultation with local communities that involve women and ethnic minorities.

Link to MDGs

The link between MDGs and decentralized local governance is a vital one because the realization of national development targets ultimately takes place in local communities. For UNDP, this relationship has three aspects: (a) participatory planning, monitoring and oversight will help address the question of how globally – or even nationally – development indicators can be made relevant to local realities; (b) the capacities of local bodies (including both elected representatives and public services) often need strengthening to ensure that resources are used in accordance with intended development outcomes; and (c) local elections, more democratic party structures and civil society involvement are necessary to improve the responsiveness of local governance for the public good.

Comparative strengths of UNDP

UNDP takes a holistic view to help build national ownership, national capacities and an enabling policy environment for effective decentralization, local governance and urban/rural development. The comparative strength of UNDP builds on:

- A strong donor coordination role in countries where local governance attracts considerable attention from the international community
- A strong community of practitioners
- Activities in 90 countries with considerable potential for South-South learning and co-operation
- Flexibility in its support, with close attention to local needs
- Close co-operation with UNCDF in least-developed countries (currently totaling 22), presenting a strong foundation for linking poverty reduction with democratic governance and natural resource management

Country demand

Sixty-five of the 95 UNDP country offices envisage activities during 2004-2007. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 2.7 Public administration reform and anti-corruption
Support in this service line focuses on supporting efficient, responsive, transparent and accountable public administrations.
Link to MDGs In societies undergoing rapid change as an effect of globalization or other forms of transition, a strong administrative capacity offers much-needed clarity and coherence for the implementation of national priorities, including those connected with MDG targets. UNDP helps to build public services that are cost-efficient and results-oriented, transparent, responsive and accountable to the needs of citizens.
Comparative strengths of UNDP The comparative strength of UNDP in this area derives from: ▪ Its focus on poverty reduction centred on the MDGs and its human rights approach bring a unique perspective ▪ Long and substantial experience from all over the world ▪ Neutrality in an increasingly politically sensitive area ▪ Ability to mobilize resources in this area
Country demand Forty-two of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Goal 3. Energy and environment for sustainable development

Service line 3.1	**Frameworks and strategies for sustainable development**
UNDP seeks to develop country capacity to manage the environment and natural resources; integrate environmental and energy dimensions into poverty reduction strategies and national development frameworks; and strengthen the role of communities and of women in promoting sustainable development.	
Link to MDGs Healthy ecosystems, the conservation of natural assets, and promoting sustainable patterns of production, distribution and consumption are essential to achieving the MDGs. Support for national and local sustainable-development strategies and related policy measures have been a cornerstone of UNDP country programmes since the Rio Conference in 1992. These strategies are likely to be key to achieving target 9 of MDG 7, to "integrate the principles of sustainable development into country policies and programmes".	
Comparative strengths of UNDP The comparative strengths of UNDP in this area include: ▪ Experience in helping developing countries set their own development priorities, linking different areas through effective, environmentally sustainable development strategies ▪ Expertise in building national capacities to address development challenges through frameworks and policies that reconcile apparently conflicting needs (such as linking economic development to environment and human welfare considerations) ▪ Under GEF, support to 120 countries for developing national capacity self-assessments that promote synergies between various environmental conventions and overall national strategies ▪ Promotion of sectoral country strategy analysis through the GEF (see service lines 3.3, 3.5 and 3.6), through DDC (see service line 3.4) and through the Montreal Protocol (see service line 3.6) ▪ A unique role in facilitating cross-sectoral and multi-stakeholder dialogue that brings together government and civil society ▪ An ability to mobilize resources in this area ($ 1.8 billion in grants and over $ 2 billion co-financing have already been mobilized)	
Country demand Fifty-nine of the 95 UNDP country offices envisage activities in this area during 2004-2007. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.	

Service line 3.2 Effective water governance

Supports the sustainable use of marine, coastal and freshwater resources and improved access to water supply and sanitation services. This requires the appropriate local, national and regional water governance frameworks, and application of integrated water resources management approaches. This service line also promotes cooperation in trans-boundary waters management.

Link to MDGs

Over 1.2 billion people lack access to safe drinking water, while over 2.5 billion lack adequate sanitation. High infant mortality, increases in vector-borne diseases, low agricultural output and deterioration in local environmental conditions see MDGs 4, 6 and 7) are all caused by inadequate water supply and poor water resource management. Improved access to water is a target that requires local, national and regional water governance frameworks. UNDP has effective mechanisms in place to support development of such policy frameworks and to assist poor communities in their efforts to improve access to adequate water supply and sanitation.

Comparative strengths of UNDP

The comparative strengths of UNDP in this area include:

- The only United Nations agency implementing projects that addresses integrated marine, coastal and freshwater resource management, and livelihood aspects, in a cross-sectoral approach
- A neutral broker on trans-boundary waters and an active partner, under the GEF, in establishing policy coordinating mechanisms in over 20 international river basins
- Fact-finding, priority-setting and commitments to governance reforms to ensure sustainability planned, underway or completed in 17 transboundary water bodies involving 103 countries; implementation of governance reforms underway in five shared water bodies involving 41 countries
- Member of all major global water partnerships, lead agency on water governance in the United Nations system (UN-Water) and part of the United Nations Secretary-General's Task Force on Water of the Millennium Project; has established partnerships with GWP, ICLEI and a number of regional and national institutions on water governance
- Has established ten regional water capacity development networks, and leads in gender mainstreaming in water management
- Effective partnerships with United Nations agencies (e.g., FAO, IMO and UNIDO), the World Bank, intergovernmental organizations and other donors (e.g., AfDB, EU) in international waters management
- An ability to mobilize resources in this area (UNDP plays the lead role under the GEF International Waters portfolio, with approved budgets of $250 million and an additional $100 million expected over the next three years)

Country demand

Seventeen of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Service line 3.3 Access to sustainable energy services

UNDP supports energy activities to reduce poverty and achieve sustainable development objectives at the local, national and global levels. Its work is focused on strengthening national policy frameworks to support energy for poverty reduction; promoting rural energy services to support growth and equity with specific focus on the situation of women; promoting clean energy technologies to mitigate climate change; and increasing access to investment financing for sustainable energy, including through the Clean Development Mechanism. Activities in these areas complement and help integrate GEF programmes in the field of climate change and support sustainable livelihoods.

Link to MDGs

There is no MDG on energy specifically, yet it is evident that the achievement of all the MDGs will depend on expanded access to clean energy services for the one-third of humanity lacking access to electricity or modern fuels. The delivery of health, education and sanitation services, while providing economic opportunities, all require energy inputs. Gender equality (MDG 2) and universal primary education (MDG 3) will only be possible when women and girls are freed from the drudgery of water and fuel collection, and when illumination extends mobility during the early morning and evening hours. WSSD confirmed the global agreement on the connections between energy, poverty reduction and the MDGs in the final summit text.

Comparative strengths of UNDP

The comparative strengths of UNDP in this area take the form of:

- A global advocacy role recognized in the World Energy Assessment
- A large energy portfolio with major GEF support, including: the Small Grants Programme; 110 developing countries supported by UNDP/GEF in preparing national communication strategies under the Climate Change Convention; 32 LDCs supported in formulating their national adaptation programmes of action
- The ability to integrate economic, social and environmental challenges related to energy
- The means to help countries address energy/poverty linkages and the global/local dimensions of climate change in follow-up to WSSD
- A leadership role within the United Nations system on gender/energy issues, including key publications;
- A clear niche with respect to the Clean Development Mechanism, owing to UNDP contributions to various aspects of governance;
- The capacity to develop public-private partnerships in energy, such as the Global LPG Challenge and the Global Village Energy Partnership, in close collaboration with the World Bank, United Nations system and private sector partners
- An ability to mobilize resources in this area; during 1996-2003, this amounted to $430 million (GEF grant portfolio) and $1.4 billion (cost sharing)-again, mainly through GEF-in addition to $46 million regular resources

Country demand

Thirty-six of the 95 UNDP country offices envisage activities during 2004-2007.

Service line 3.4 Sustainable land management to combat desertification and land degradation

Land degradation is one of the major causes of rural poverty, as well as one of its effects. UNDP works to break this cycle and reduce poverty through sustainable land management and by maintaining land-based ecosystem integrity, particularly in drylands where the poorest, most vulnerable and marginalized people live. UNDP assists countries and communities in land governance, drought preparedness, reform of land tenure and promotion of innovative and alternative sustainable land practices and livelihoods. Special emphasis is given here to the situation of rural women. UNDP supports institutional and systemic capacity building to address desertification and land degradation for rural poverty reduction, through local, national and global multi-stakeholder dialogue and action. UNDP promotes the mainstreaming and integration of major environmental conventions to reduce land degradation, help land users adapt to climate change, and maintain services through ecosystem integrity.

Link to MDGs

Most of the world's poor live in rural areas, where they depend upon the land and its natural resources for their livelihoods. About one billion live in drylands, where economic marginalization, land degradation and political and administrative neglect make sustainable development – based on sound land management – problematic. Sustainable land management provides the short and long term security and economic viability for eradicating extreme poverty and hunger (MDG 1) and ensuring environmental sustainability (MDG 7). Promoting gender equality and empowering women (MDG 3) in rural areas is key to sustainable land management. It will be impossible to achieve the MDGs in many parts of the world without addressing the underlying causes of land policy, governance constraints, and lack of capacity to mitigate land degradation.

Comparative strengths of UNDP

The comparative strengths of UNDP in this area include the following:

- The Drylands Development Centre (DDC), successor to the former UNSO (established in 1973), has a leadership role for poverty alleviation in arid and semi-arid areas of the world. It complements the rural technical assistance of other agencies and donors by tackling the underlying causes of rural poverty
- Unique positioning to shift the focus of rural natural resources management from technical assistance to capacity development with highly qualified staff, both at headquarters and in the field, specializing in capacity development for policy and governance, including reforming national land tenure processes
- Support to the preparation and implementation of national action plans under the Desertification Convention in 59 countries
- Member of the Secretary General's Task Force on Hunger of the Millennium Project, co-sponsor of CGIAR system (partnering with ICRISAT, ICRAF, ICARDA linking science to policy); well placed to highlight links between land degradation, livelihoods, and conflicts and crisis

Under GEF operational programme 15 on sustainable land management – a new focal area for the GEF – UNDP expects to mobilize around $50 million for projects over the next three years.

Country demand

Twenty-three of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Service line 3.5 Conservation and sustainable use of biodiversity

Through a close integration of GEF and core activities, UNDP helps countries and communities maintain and benefit from the biodiversity and ecosystem services that underpin human welfare and economic development, and provide the poor with food security, fuel, shelter, medicines and livelihoods – as well as clean water, disease control, and reduced vulnerability to natural disasters. UNDP supports the sustainable management of agriculture, fisheries, forests and energy, and a pro-poor approach to conservation and protected areas, biotechnology and the development of viable, new markets for ecosystem services.

Link to MDGs

The protection and sustainable management of ecosystems – the species and genetic resources that comprise them, and the services they provide society – are key to the achievement of the MDGs. MDG no 1, the eradication of extreme poverty and hunger, depends on productive agriculture, livestock and fisheries, which in turn rely on ecosystem services (e.g., soil fertility and erosion control). Healthy ecosystems help mitigate the impact of droughts, floods and other natural disasters. The poor are the most dependent on direct utilization of biodiversity for their livelihoods and the first to suffer from its loss. The achievement of MDG 4 – to reduce child mortality – depends fundamentally on healthy ecosystems in which the effects of extreme weather events is mitigated and the quality and distribution of drinking water is improved. This in turn helps to control endemic and emerging diseases, which are among the main killers of children under five years of age. In connection with MDGs 3 and 5, as natural resources are depleted, women are increasingly burdened to gather drinking water, fuel wood, and non-timber forest products. Ecosystem degradation often increases water-borne and insect-borne diseases, as well as economic disruption, population dislocation, urban crowding and the spread of communicable diseases such as HIV/AIDS and TB (MDG 6). Conversely, genetic resources are the basis for both modern and traditional health care interventions, including the development of effective new drugs.

Comparative strengths of UNDP

The comparative strengths of UNDP in this area are as follows:

- The largest biodiversity portfolio in the United Nations system, with biodiversity projects in over 120 countries (with GEF)
- Through GEF, the Equator Initiative and other programmes, UNDP is supporting the maintenance and appropriate use of biodiversity and ecosystem services for poverty reduction
- Uniquely positioned to work on biodiversity from the local community level through to national, regional and global policy levels (over 60 per cent of the 4 000 projects supported by the UNDP/GEF Small Grants Programme focus on biodiversity)
- All UNDP programme countries have commitments under the United Nations Convention on Biological Diversity, and UNDP/GEF supports 92 countries in developing their biodiversity strategies and action plans
- Biodiversity and ecosystems closely linked to analytical work of the United Nations Millennium Project on MDG 7
- Member of a particularly active partnership in biodiversity with the Convention on Biological Diversity, UNEP, UNESCO, FAO, and the World Bank;
- Close association with NGOs (for example IUCN and the World Resources Institute) and active member of global partnerships (including the CGIAR system)
- Ability to mobilize resources in this area (UNDP has the largest biodiversity portfolio in the United Nations system, with over $1.3 billion in GEF and core investments over the past decade)

Country demand

Forty-nine of the 95 UNDP country offices envisage activities in this area.

Service line 3.6 **National/sectoral policy and planning to control emissions of ozone-depleting substances and persistent organic pollutants**

The Montreal Protocol and GEF programmes of UNDP support governments as they develop and strengthen national and sectoral strategies for the sustained reduction and elimination of ozone-depleting substances (ODS) and persistent organic pollutants (POPs). Enterprises are assisted in maintaining their economic competitiveness through provision of best available alternative technologies and opportunities for capacity development.

Link to MDGs

The ozone layer protection efforts of UNDP contribute to several of the MDGs. Development of national/sectoral strategies to eliminate ODS are founded on the principles of sustainable development (MDG 7); and provision of best alternative technologies and development of local technological solutions enhances economic competitiveness and addresses health concerns (MDG 8). The Montreal Protocol programme of UNDP works towards reducing poverty at the global level in over 70 countries by preventing job losses, especially in SMEs. In addition, working jointly with the HIV/AIDS unit and agricultural producers in rural areas results in benefits in combating HIV/AIDS (MDG 6).

Several of the MDGs are clearly linked to the broad range of health and environmental impacts of POPs, e.g., halving extreme poverty and hunger (nine of 12 POPs are pesticides), reducing under-five mortality by two thirds (natal and pre-natal effects of POPs), and halving the proportion of people without access to safe drinking water (POPs contaminate water supplies).

Comparative strengths of UNDP

The comparative strengths of UNDP in this area include the following:

- Experience and expertise in building national capacity to establish policy frameworks and implement sustainable national and sectoral ODS elimination strategies
- Interaction with government planners, over 1 000 private sector enterprises, over 3 000 small and medium sized enterprises and over 400 000 agricultural producers to maintain economic competitiveness and employment levels
- Strong partnerships with United Nations technical agencies having POPs and chemicals management expertise (UNIDO, WHO, UNITAR)
- Synergies with conventions on climate change and desertification; strong potential for cross-sectoral integration to support other UNDP practice areas
- Ability to mobilize resources in this area ($387 million in approved MP programming to date; $100 million already approved in 2003-2005 forward commitments; $20 million in approved POPs programming to date; around $20 million expected during 2003-2006 for demonstrations of POPs destruction and reduction technologies and dissemination of best practices)

Country demand

While 74 countries have requested UNDP support in this area, large-scale, multi-year national or sectoral ODS elimination programmes have been approved in 11 countries.

Goal 4. Crisis prevention and recovery

Service line 4.1 Conflict prevention and peace-building

The interdependence of peace and development provides the entry point to conflict prevention and peace building for UNDP. The organization works to strengthen the institutions and mechanisms that can prevent and resolve violent conflicts, and to ensure that national and regional development programmes address the risks and impact of conflict.

Link to MDGs

The United Nations Millennium Declaration, General Assembly resolution 55/2, identifies conflict prevention as a key peace and security mandate, for which UNDP provides development solutions relating to the MDGs on halving extreme poverty, empowering women and ensuring environmental sustainability.

Comparative strengths of UNDP

UNDP contributes to the implementation of the vision expressed by the Secretary-General in his 2001 report on the prevention of armed conflict in the key United Nations role of supporting member states through:

- Acquiring their own long-term capacity for the peaceful resolution of disputes
- Efforts for prevention of armed conflicts

The comparative strength of UNDP emerges from:

- Fairness and impartiality/neutrality
- Unique role in coordination and forging partnerships
- Trust of and access to national governments
- Worldwide on-the-ground presence
- Consistent record of working with all relevant stakeholders
- Support for democratic governance as the key to both sustainable peace and sustainable development

Country demand

Twenty country offices envisage activities in this area during 2004-2007[8]. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

[8] The number of programme countries utilizing UNDP crisis prevention and recovery services are fewer than under other service lines, as countries in conflict are a subset of developing countries as a whole. Nevertheless, within this subset the use of UNDP crisis prevention and recovery services is intensive.

Service line 4.2 Recovery

The mandate of UNDP in post-conflict recovery includes sustainable human development, government and community capacity development and supporting comprehensive United Nations response to the range of reintegration needs through facilitation of joint programs and coordination. By breaking the pernicious cycle of crisis, poverty and risk, UNDP helps communities to recover from conflict and advance towards achieving MDG 1, the eradication of extreme poverty and hunger.

Link to MDGs

The achievement of the MDGs in crisis and post-crisis countries depends on integrating immediate and longer-term development responses. Delivery of social services, support to local governance and economic recovery during crisis/post-crisis situations play a key role in helping crisis countries to avoid an increase in poverty, disease, child mortality, and environmental pollution, amongst other development goals.

The comparative strengths of UNDP

With its global presence on the ground prior to, during and after crises, UNDP:

- Has the local knowledge and experience to provide rapid, sustained support to crisis-affected countries within a development framework
- Through its resident coordinator role, coordinates assistance in special development situations
- Facilitates the transition from relief to development, including through the mobilization of flexible resources for early development assistance
- Assists in the '4 Rs' process in partnerships with humanitarian organizations and the World Bank
- Draws on United Nations Volunteers for appropriate, cost-effective expertise
- Possesses the ability to mobilize resources in this area

Country demand

Seventeen UNDP country offices envisage activities during 2004-2007. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 4.3 Small arms reduction, disarmament and demobilization

UNDP plays a leading role in helping countries curtail illicit weapons and address the needs of ex-combatants and other armed groups through alternative livelihood and development prospects, while building capacities at all levels to promote human security.

Link to MDGs

The United Nations Millennium Declaration, General Assembly resolution 55/2, under "Peace, security and disarmament", makes a clear case for the need to support peacekeeping and dispute-resolution. Beyond the incidence of fatal and non-fatal injuries in developing countries, the effects of armed violence can include a rise in crime, the rapid collapse or erosion of social services, a decline in economic activity, the distortion of investment, savings and revenue collection, and the destruction of social capital. The UNDP 'weapons for development' approach bears a direct relationship to the goal of halving extreme poverty.

Comparative strengths of UNDP

ECHA and the IASC have given UNDP mandates on disarmament, demobilization and reintegration (DDR) and small arms reduction, respectively. The extensive field network and development approach of UNDP allow it to:

- Work closely with local partners on programmes that reduce the incidence of violence
- Ensure that small arms reduction and DDR programmes are part of sustainable development plans and institution building
- Implement United Nations commitments on small arms reduction
- Provide rapid support to ex-combatants – a high-risk group – including sustainable alternatives to conflict through livelihood and training programmes

UNDP has:

- Become a leading agency in this sector
- Demonstrated ability to mobilize necessary financial support
- Built partnerships with DDA, DPKO, WHO, UNICEF, donor governments and NGOs
- Demonstrated ability to mobilize resources in this area

Country demand

Twenty UNDP country offices envisage activities in this area during 2004-2007.

Service line 4.4 Mine action

Mine action is not so much about landmines as it is about people and their interactions with mine-affected environments. Its aim is humanitarian and developmental: to recreate an environment in which people can live safely; in which economic and social well-being can occur free from the constraints imposed by landmines; and in which victims' needs are addressed.

Link to MDGs

Vast tracts of fertile land remain uncultivated due to the threat of mines. Explosives in the ground degrade soil and have a long-lasting toxic effect on the environment. Mine action has provided a unique example of how global partnerships can support development causes. Mine action directly supports three of the Millennium Development Goals: poverty reduction (MDG 1), environmental sustainability (MDG 7), and Global Partnerships for Development (MDG 8).

Comparative strengths of UNDP

The primary responsibility for managing mine action programmes in mine-affected countries lies with the national and local authorities. In accordance to the division of labor among the involved United Nations organizations, the critical role of UNDP is to:

- Help affected countries address the mine threat in a coordinated, comprehensive fashion
- Create an environment in which mine action activities are conducted to greatest impact and efficiency
- Engage stakeholders in discussions about mainstreaming mine action within national development strategies
- Mobilize resources in support of nationally owned programmes

Country demand

Sixteen UNDP country offices envisage activities in this area during 2004-2007.

Service line 4.5 Natural disaster reduction

UNDP seeks to ensure that considerations for disaster risk preparedness are factored into national and regional development programmes and that countries take advantage of recovery following disaster as a unique opportunity to mitigate future risks and vulnerabilities.

Link to MDGs

Goal no 7, on the environment, is particularly relevant to this service line, as landslides, floods and hurricanes are often caused by poor environmental management – or it amplifies their effects. The preservation of development gains and the reduction of disaster risk relates to the section of the Millennium Declaration covering the protection of the environment as well as to MDG 1 (poverty reduction) and MDG 7 (environmental sustainability).

Comparative strengths of UNDP

Natural disasters have a disproportionate effect on poor countries, which typically lack the resources for adequate prevention and mitigation. In response to the Secretary-General's Programme for Reform, responsibility for operational activities for natural disaster mitigation, prevention and preparedness has been assigned to UNDP.

UNDP:

- Has built specialized expertise to provide sustained support in disaster risk reduction
- Works closely with its United Nations partners to support the implementation of the United Nations International Strategy for Disaster Reduction
- Advocates for the investment of resources in prevention and capacity development (such resources still make up a very small percentage of those available for emergency relief).

Country demand

Twenty-two UNDP country offices envisage activities in this area during 2004-2007.

Service line 4.6 Special initiatives for countries in transition

To help countries recover from violent political experiences of past generations and avoid relapsing into crisis, UNDP supports United Nations peace operations and engages in special initiatives for countries in transition. UNDP provides local, provincial, national and transitional authorities with immediate, time-bound support to help them fulfill their mandate of delivering essential public services, establishing basic security, launching processes of political change and building a vision of peace and democratic reform.

Link to MDGs

This service line relates to the section of the Millennium Declaration covering peace, security and disarmament, human rights, democracy and good governance, as well as to protecting the vulnerable and strengthening the United Nations system. Through its engagement in special initiatives, UNDP forges multilateral partnerships in support of countries in transition, with direct links to MDG 1 (poverty reduction) and MDG 8 (forging global partnerships).

Comparative strengths of UNDP in this area

The 2000 report of the panel on United Nations peace operations, known as the Brahimi Report, suggested that the untapped operational potential of UNDP be systematically used to strengthen the engagement of the United Nations in peace operations. This service line is a manifestation of the commitment of UNDP to ensure a more active utilization of its operational potential in the context of United Nations integrated missions as well as of its availability for special initiatives in support of transition governments. UNDP is well placed to launch and administer such initiatives because UNDP:

- Is a trusted partner of governments and can administer and implement on behalf of government
- Has experience in strengthening national capacity which can be used to support transition governments, whose operational capacity is often very weak
- Has proven capacity to mobilize and quickly disburse resources for special initiatives

Country demand

Five UNDP country offices envisage activities this area during 2004-2007.

Goal 5. Responding to HIV/AIDS

Service line 5.1 Leadership and capacity development to address HIV/AIDS

UNDP provides support for national HIV/AIDS strategies that mobilize social and political leadership and action across all sectors. These strategies involve the promotion of a deep transformation of norms, values and practices, guided by the principles of participation, gender equality and human rights. UNDP also assists governments, community organizations, civil society and the private sector to develop capacity to address the underlying causes of the epidemic, and strengthens the capacity of communities for action, social mobilization and change.

Link to MDGs

UNDP support in the area of HIV/AIDS contributes directly to MDG 6 on combating HIV/AIDS. Without achieving the HIV/AIDS goal, the MDG targets related to poverty and hunger (MDG 1), education (MDG 2), gender equality (MDG 3), child mortality (MDG 4), maternal health (MDG 5) and global development partnerships (MDG 8)—are jeopardized.

Comparative strengths of UNDP

As a co-sponsor of the Joint United Nations Programme on HIV/AIDS (UNAIDS), the niche occupied by UNDP involves creating an enabling policy, legislative and resource environment to achieve MDG and UNGASS goals. The comparative strengths of UNDP in this area include:

- Developing and introducing transformative methodologies for leadership development at all levels and across sectors (recognized by development partners as a UNDP innovation)
- Using holistic methodologies to tackle root causes that fuel the epidemic,
- Strengthening the capacity of government, civil society, community-based organizations, and individuals for effective HIV/AIDS action, social mobilization and change
- Multiple entry points and synergistic sets of people-centred activities aimed at individual, societal and institutional levels
- Partnerships with the Global Fund to Fight AIDS, Tuberculosis and Malaria; UNV; UNCHS; and other organizations.

Country demand

Thirty of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Service line 5.2 Development planning and implementation and HIV/AIDS responses

UNDP promotes national development planning processes as multi-sectoral and multi-level engagements by governments, the United Nations and other partners. This involves the mainstreaming of HIV/AIDS into national development planning instruments, including national development plans and budgets; the PRSP process, HIPC and other debt processes; UNDAFs; country programmes; and sectoral studies.

Link to MDGs

The UNDP approach to development planning for HIV/AIDS – linking districts and communities to national policies, addressing gender inequalities and other root causes, and creating cross-sectoral synergies –reduces poverty and hunger, increases gender equality, reduces maternal and child mortality, increases primary school enrolment, and helps build global partnerships for development.

Comparative strengths of UNDP

The comparative strength of UNDP in this area derives from:

- Widely recognized global experience (UNDP works in partnership with governments, United Nations organizations, bilateral agencies, the Global Fund and Shell, in addition to numerous country-level partners)
- Officially designated by UNAIDS as convening agency for HIV/AIDS on governance and development planning, (lead agency for United Nations system and for UNAIDS secretariat and co-sponsor)
- Experience in mainstreaming HIV/AIDS into sector ministries, and assisting public and private sectors to mainstream HIV/AIDS into their operations
- Policy recommendations responding to the impact of HIV/AIDS on sectors; support for national strategic planning and sub-national planning for HIV/AIDS; and strengthening capacity of national AIDS councils to respond effectively
- Strategies to address loss of human resources and institutional capacity resulting from the epidemic in worst-affected countries, including sub-Saharan Africa
- Reviewing of CCA/UNDAF documents to address HIV/AIDS
- Partnerships with the Global Fund to Fight AIDS, Tuberculosis and Malaria (currently the principal recipient for grants in 13 countries) and the Global Alliance for Improved Nutrition.

Country demand

Thirty-nine of the 95 UNDP country offices envisage activities in this area during 2004-2007. Resident representatives cited results in this area as an important contribution to programme countries during 2000-2003.

Service line 5.3 Advocacy and communication to address HIV/AIDS

UNDP uses advocacy and communication to promote a deeper understanding of the epidemic, reduce its impact and reverse its spread. Areas of support include: communication strategies to address stigma, discrimination; and gender relations that render women and girls vulnerable to infection; advocacy for legal reforms; policy dialogue on prevention, impact mitigation; and formulation of anti-discrimination legislation for people living with HIV/AIDS.

Link to MDGs

The UNDP approach to HIV/AIDS involves the use of advocacy and communication to create an environment that contributes both directly and indirectly to the MDGs through rights-based legislation, inclusive policy and public dialogue, community conversations to address social issues that fuel the epidemic; advocacy for adequate responses; and arts and media for social transformation.

Comparative strengths of UNDP

The comparative strength of UNDP in this area derives from:

- Experience in rights-based approach, promotion of gender equality and addressing stigma/discrimination
- Strong position at the country level to advocate for legal reforms to prevent discrimination against people living with HIV/AIDS
- Experience in establishing national forums and dialogue, including through the use of HDRs (regional and national HDRs on HIV/AIDS are unique to UNDP)
- Expertise and strong role in networking and communication, including working with the media and artists to break the silence on HIV/AIDS, promote a deeper understanding of the epidemic, and generate positive, hopeful images and messages relating to HIV/AIDS
- Unique position at country level to promote policy dialogue involving all stakeholders, and to facilitate round-table meetings

Country demand

Fifteen of the 95 UNDP country offices envisage activities in this area during 2004-2007.

Annex 2: Integrated resources framework (IRF) 2004-2007

Category [a/]	Programme					Programme support								Management and administration	Support to United Nations operational activities		As percentage of grand total
	Donor resources			Local resources		Donor resources						Local resources		Donor resources	Donor resources		
	Regular resources	Other resources (co-financing)	Total donor resources	Other resources (government cost sharing)	Total	Regular resources				Other resources (co-financing)	Total donor resources	Other resources (government cost sharing)	Total	Regular resources	Regular resources	Grand total	
						Country offices	Head-quarters	GLOC and others	Total								
Core programme																	
COs, including countries in crisis																	
Least developed countries	1,236	866	2,102	30	2,132	264	88	(38)	314	64	378	1	379			2,511	
Other countries	824	2,257	3,081	3,581	6,662	339	58	(76)	321	168	489	98	587			7,249	
Net contributor countries	-	20	20	143	163	12	5	(8)	9	1	10	24	34			197	
Subtotal [b/]	**2,060**	**3,143**	**5,203**	**3,754**	**8,957**	**615**	**151**	**(122)**	**644**	**233**	**877**	**123**	**1,000**			**9,957**	
[b/] Other	430	603	1,033	2	1,035	5	6	-	11	45	56		56			1,091	
Total	**2,490**	**3,746**	**6,236**	**3,756**	**9,992**	**620**	**157**	**(122)**	**655**	**278**	**933**	**123**	**1,056**			**11,048**	**95%**
Management and administration														264		**264**	**2%**
Support to the United Nations																	
Programme support to resident coordination															50	50	
Country offices															218	218	
DGO															6	6	
IAPSO															2	2	
UNV (net)															53	53	
Total															**329**	**329**	**3%**
Grand total	**2,490**	**3,746**	**6,236**	**3,756**	**9,992**	**620**	**157**	**(122)**	**655**	**278**	**933**	**123**	**1,056**	**264**	**329**	**11,641**	**100%**

Notes

a/ Includes regional, global and other programmes (Evaluation, TCDC, Programme of Assistance to the Palestine People, development support services, etc.) for programme, donor and local resources.

b/ Includes budget related to Programme of Assistance to the Palestine People for this column only.

c/ For programme support/donor resources, consists of $184.2 million for country offices and $94.4 million for headquarters.

d/ For programme support/local resources, consists of $110.4 million for country offices and $12.4 million for headquarters.

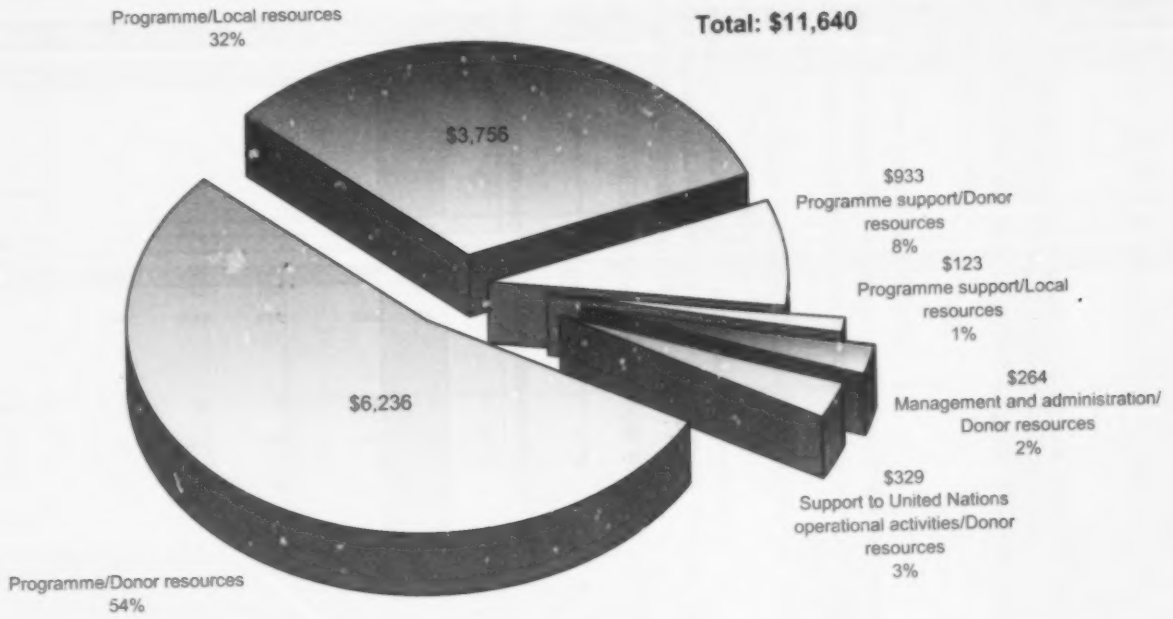
e/ Excludes Other Resources of $59.5 million for management and administration.

f/ Excludes other donor resources of : $1.7 million for DGO, $25.0 million for IAPSO, and $16.7 million for UNV.

Abbreviations: GLOC - Government contributions to local office costs; DGO - Development Group Office; IAPSO - Inter-Agency Procurement Services Office; UNV - United Nations Volunteers

Annex 3: Allocation of resources by budget category (2004-2007)

(millions of dollars)



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Evaluation

Annual report of the Administrator on evaluation 2002

Summary

The report on evaluation 2002, covering the period from July 2002 to June 2003, examines the progress made by UNDP in deepening the culture of performance within the organization. During the reporting period, the demand for the evaluation and lesson learning improved substantively. The report draws upon evaluative evidence from a global trends analysis of development effectiveness and key country-level and corporate evaluations from UNDP to assess development results. It also elaborates UNDP efforts to promote more dynamic interaction between country operations and the evaluation function in order to improve the link between evaluations, substantive learning, decision-making and partnerships.

UNDP has launched a number of initiatives to revamp its approach to managing for results, including a strong outreach strategy for promoting knowledge-sharing and lessons-learning throughout the organization and with partners, which is critical for improving development results at the country level. The report emphasizes the importance of accessing "real-time" lessons and feeding evaluation recommendations back into decision-making for more effective learning and accountability – especially in view of the challenges in aligning UNDP strategic goals to the Millennium Development Goals and fostering a broader range of partners for development effectiveness. The report highlights several future priorities for extending the performance culture throughout the organization.

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Contents

		Page
	Introduction	3
I.	Managing for results, accountability and learning	3
	A. Development effective – global trends	3
	B. Strengthening results at country level	5
	C. Knowledge and learning for decision-making	8
	D. Partnerships	9
II.	Key corporate and country evaluations	11
	A. PRSP evaluation	11
	B. Assessment of the Millennium Development Goals reports	11
	C. Micro-macro linkages	12
	D. Operational flexibility in conflict and post-conflict situations	13
	E. Evaluation of Danish Trust Fund	13
	F. Evaluation of poverty-governance linkages	14
	G. Country evaluations: Bulgaria, Nigeria and Viet Nam (ADRs)	14
	H. Evaluations by UNDP associated funds and programmes	16
III.	Future directions	18
Annex	Evaluation compliance based on the new monitoring and evaluation framework	20

Introduction

1. This report for 2002 on evaluation focuses on deepening the performance culture in UNDP and in knowledge and learning for decision-making. The report on the multi-year funding framework (MYFF) 2000-2003 (DP/2003/12) highlighted the organization's key achievements, in particular how and where UNDP is making discernible contributions to development change. While the evidence presented in the MYFF shows that UNDP has made considerable progress in achieving results, there are new challenges to align more closely strategic results framework (SRF) goals with the organization's practice areas and the Millennium Development Goals (MDGs). This has meant feeding in lessons learned from evaluation into the second MYFF 2004-2007 (DP/2003/32) to strengthen its results orientation. The Administrator's corporate priorities for 2003 underscore the integration of performance planning, measurement and accountability in areas where learning strategies have a critical role to play in harnessing knowledge, experience and resources from throughout the organization. The organizational shift to a "culture of performance" requires a stronger emphasis on substantive accountability and lessons-learning, and a continued emphasis on measurement and results, which must remain an organizational priority for some time to come.

2. During the MYFF 2000-2003, UNDP laid the foundation of a performance culture following the introduction of results-based management (RBM) in the organization in 1998; efforts were subsequently directed toward its implementation. During this reporting period, the demand for evaluation and lessons-learning improved substantially. The organization accomplished this, inter alia, by installing the new results-based monitoring and evaluation framework in UNDP and consolidating it through outreach and support initiatives. There is now a three-tired accountability and learning system in place at: (a) the programme level – outcome evaluations; (b) the country level – a select number of country evaluations; and (c) the organization level – the development effectiveness report (DER). Each component builds on the other.

3. This report, which draws on evaluative evidence and global trends analysis in the DER, is divided into three parts. Part 1 examines the trends towards development and organizational performance and the link between evaluations, lessons-learning, decision-making and partnerships. Part 2 elaborates results of UNDP corporate-level evaluations and completed evaluations from its associated funds and programmes. Part 3 highlights some future directions.

I. Managing for results, accountability and learning

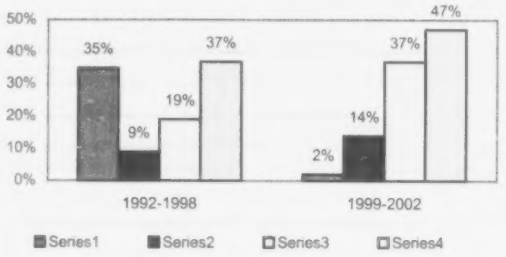
A. Development effectiveness – global trends

4. Since its inception, the DER has increasingly become an important tool for assessing and analyzing key issues and trends pertaining to development effectiveness at both country and global levels. This year's DER attempts to address the links between organizational performance and development results through an analysis of global trends, and in doing so complements the report on the MYFF 2000-2003. While the MYFF specifically looks at UNDP country level efforts to bring stronger strategic focus on the six overarching organizational goals, the DER situates UNDP performance in a wider partnership framework that includes the

policies and programmes of both developed and developing countries as they influence overall development and more specifically the prospects of attaining the MDGs.

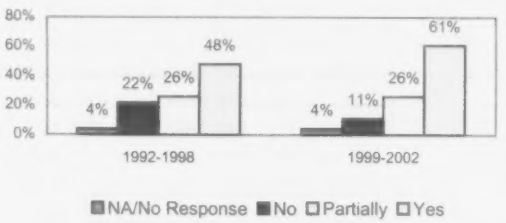
5. The DER has shifted from exclusively focusing on issues such as individual agency performance and aid effectiveness to looking at how UNDP contributes to the overall development results of countries and brings change to people's lives. It draws attention to the challenge of linking micro-level (project activities) to macro-level (policy change) by generating evidence that has the potential to promote cross-country and cross-regional learning on what works, and connecting organizational change with development impact, partnerships and 'shared' accountability to enhance impact on development results. The DER has two components: at the country level, it situates UNDP performance in the context of overall country-level development outcomes; at the global level, it looks at the global trends and efforts needed to reinforce development effectiveness.

Figure 1: Project effectiveness



6. The DER draws information from thematic and strategic evaluations, data analysis of 1 016 project/programme evaluations, including around 200 project/programme evaluations undertaken in 2002, country case studies in the five UNDP regions and other background papers. The analysis shows results in relation to the organization's six main practice areas (democratic governance, poverty reduction, crisis prevention and recovery, energy and environment, information and communications technology and HIV/AIDS), and the five geographical regions it operates in. It also shows results via three key dimensions increasingly considered particularly relevant to development programmes – capacity, ownership, and policy environment – which need to be in place and well-aligned with each other if development support is to enable countries to enhance their development. This broader analysis is important because it adds to organizational learning by highlighting strengths and weaknesses in different practice areas and regions.

Figure 2: Sustainable projects



7. The major trends highlighted in the report are improvements in project effectiveness (figure 1), which can be considered as useful approximation of outcome measures, and greater sustainability of UNDP interventions – with some challenges. Not only were 61 per cent of projects/programmes sustainable in 1999-2002, compared to 48 per cent in 1992-1998, but there has also been a large decline in initiatives that were "not sustainable", from 22 per cent in 1992-1998 to only 11 per cent in 1999-2002 (figure 2). This is a significant trend because an increase in sustainability implies that there has been a process of local learning and capacity-

building through stronger partnerships, and local support to allow an intervention to continue once UNDP funding draws to an end.

8. The challenges of focusing on development results and multi-dimensional human development goals, such as the MDGs, require a broader analytical canvas and a range of performance measures that bring out the respective contribution of different development actors to overall development, and more specifically the MDGs. The DER illustrates the need for global partnerships, between donors and developing countries in particular, to enhance development effectiveness. This means not only that there is a need for more and better official development assistance (ODA), but that developed country policies in the areas of trade, debt relief, financial stability and environmental protection, for example, need to become more development oriented.

B. Strengthening results at the country level

Country evaluations

9. Following a successful pilot phase of applying the country level impact assessment (CLIA) methodologies, in 2001 UNDP launched a series of country evaluations, called assessments of development results (ADRs). ADRs are independent evaluations that assess and validate development results at the country level. These country evaluations respond to the specific need of exploring development effectiveness in relation to organizational performance.

10. At the corporate level, ADRs provide a substantive basis for quality assurance with regard to UNDP interventions and generate lessons learned that serve to support and enhance country-level programming. They also serve as important corporate instruments for fulfilling the accountability requirements of the Administrator. In trying to establish a credible link between UNDP support and the results achieved, the ADRs focus on matters of a strategic nature, such as partnering, micro-macro links, the MDGs, lessons-learning and other key factors influencing results. There is greater emphasis on a wide participatory and consultative process with key partners to ensure that the evaluation contributes to strategic partnership-building around key development results at the country level, and influences the direction of future UNDP work and role in line with core human development priorities of each country.

11. The ADRs are being undertaken in 7 to 10 countries each year. Countries are selected with the aim of capturing the diverse range of challenges that confront UNDP programme countries globally. The choice of the first set of countries – comprising Afghanistan, Bangladesh, Bulgaria, Egypt, Ethiopia, Haiti, Honduras, Jamaica, Mozambique, Nepal, Nigeria, Syrian Arab Republic, Turkey, Ukraine, Viet Nam and Yemen – was guided by an appraisal of the strategic importance of the country to the region, and the potential for generating lessons-learned with a bearing on development effectiveness. These evaluations will be spread over 2003-2004. Evaluations for Bulgaria, Nigeria and Viet Nam, which began in the last quarter of 2002, have been completed; the findings have been shared at different learning events both at the headquarters and at the local level, with particular emphasis on trends, strategic positioning and policy implications. The experience and lessons gained from the initial ADRs will be fed into the practice networks and corporate and regional lessons-learning initiatives to refine further the methodology and enhance the overall effectiveness of UNDP country-level support.

Outcome evaluations

12. As was highlighted in the report of the Administrator on evaluation 2001 (DP/2002/27), UNDP introduced its new monitoring and evaluation framework in late 2001, orienting it towards results and focusing monitoring and evaluation more at the outcome – or development change – level. Under the new system, project evaluations are optional, and a certain number of outcome evaluations are mandatory. The year 2002 was the first time that country offices applied the new framework, and a number of outcome evaluations have already been completed. These evaluations have demonstrated their value in providing country offices with the analysis to make policy decisions, and promise to help UNDP to develop further its expertise in the various practice areas.

13. Compliance based on the receipt of evaluation plans, and as reported in the annual report of the Administrator on evaluation 2001, was 89 per cent. Although these results were better than in the past, the actual conduct of evaluations has not been able to keep up with the plans. Given the newness of outcome evaluation methodology, and since 2003 is the first year in which outcome evaluations are conducted, countries are still in a learning mode. Outcome monitoring and evaluation are powerful. But they are very new tools for the country offices. A certain amount of capacity-building is therefore necessary, requiring more preparatory time to apply the methodology. Changes in the outlook and approach of staff are required by several elements of the new framework, which places a premium on coherent and strategic planning around results, partnering for development change, capacity-building for and ownership of monitoring and evaluation, and promotion of knowledge and learning from evaluation (see annex for details).

14. The trends from the planned and completed outcome evaluations in 2002 indicate that the organization is deeply involved in the SRF goals of democratic governance and poverty. Evaluations planned in governance surpassed all the other practice areas for each year, except in 2003. In terms of regional trends, the Regional Bureau for Africa (RBA) has the highest number of evaluations (51) planned in the practice area of poverty, a clear indication of the region's priorities. Emphasis in the Regional Bureau for Asia and the Pacific (RBAP), the Regional Bureau for Arab States (RBAS) and the Regional Bureau for Europe and CIS (RBEC) appears to be in governance, while the Regional Bureau for Latin America and the Caribbean (RBLAC) has given equal emphasis to governance and poverty. Given their importance for UNDP, it is surprising that country offices have not given high evaluation priority to special development situations (particularly conflict prevention and recovery) and gender. A possible explanation in the case of conflict prevention and recovery could be the nature of the work, which makes evaluations in dangerous and complex circumstances difficult to manage. Fewer evaluations in gender, on the other hand, could be the result of the mainstreaming of gender activities, which has led not only to underreporting of gender in SRF goals, as indicated in the report on the MYFF 2000-2003, but also to a low level of outcome evaluations carried out in this area. Closer attention is warranted in this particular area.

15. During 2002, the Evaluation Office contributed to a series of regional training workshops in Bangkok, Cuba and Fiji on "managing for results" to improve outcome evaluation capacity-building within UNDP and with United Nations partners. Furthermore, 30 virtual clinics were organized for country offices on how to plan outcome evaluations; it was observed that those country offices receiving help from

the virtual clinic produced better evaluation plans and terms of reference for outcome evaluations. There are encouraging signs that country offices and other units have taken the outcome evaluation approach seriously. For example, there has been an increase in the number of requests from country offices and other units, such as regional bureaux, for further training in the new approaches in results-based monitoring and evaluation per se, as well as for managing for results in general. In addition, where the training initiatives in the past had been organized around other regional and corporate initiatives, there is now a more focused and concerted effort to cover results-based monitoring and evaluation under the overall rubric of "managing for results".

16. The Evaluation Office has also partnered with the Learning Resource Centre (LRC) in collaboration with the Operations Support Group (OSG) and the Bureau of Management (BOM) to ensure a coherent and common approach to corporate training on managing for results. A learning event is planned for late 2003 for the first countries to undertake outcome evaluations in the area of decentralization and local governance as well for several countries planning evaluations in the same area. This will bring together the relevant countries along with other units such as the sub-regional resource facilities (SURFs), regional bureaux and the Bureau for Development Policy, to share experiences in using the outcome evaluation methodology, learn from each other and generate system-wide lessons.

17. A notable measure undertaken by the Evaluation Office, with support from OSG and BOM, is to ensure that the Enterprise Resource Planning (ERP) system is result-oriented. This was initiated through an integrated country office framework with one platform to plan, implement, monitor and evaluate, which would simplify business processes by integrating functions and instruments within a coherent framework and generate information on performance in terms of substantive progress, costs of results and status of implementation activities.

Simplification and harmonization of United Nations system

18. The simplification and harmonization process within the United Nation system has at its core the objective to improve the effectiveness of the development support of the United Nations system at the country level. Under the simplification and harmonization of programme implementation modalities, the United Nations Development Assistance Framework (UNDAF) monitoring and evaluation plan has been a major development. It will monitor and evaluate UNDAF outcomes, major outputs and related country programme outcomes to improve strategic focus and prioritization, reduce duplication of efforts and ensure greater synergies in monitoring and evaluation activities in order to reduce transaction costs. It also provides data and analysis along with an outline of the information sources and systems that will allow the United Nations country team to ensure accountability for results as well as learning from experience. These efforts are also expected to foster stronger partnerships through joint evaluations and strengthen national monitoring and evaluation capacities.

19. Within the context of the United Nations simplification and harmonization process, the Evaluation Office organized an inter-agency workshop on RBM in La Paz, Bolivia, in March 2003 to pilot a training package that will give UNDP programming tools and instruments a more results-based orientation. The workshop was designed and organized in partnership with RBLAC, OSG, the United Nations

Development Group (UNDG) and the country team in Bolivia. The Bolivia experience has shown that leading with the concepts and following with the instruments provides a solid basis for generating a common understanding of what the United Nations intends to do in a given country, why and how. A number of countries have since expressed interest in similar training. In the future, the Evaluation Office will work with its various partners to support such initiatives and undertake joint evaluations in collaboration with the UNDG.

Performance assessment and oversight

20. In the last two years, the Oversight Group, comprising the Evaluation Office, Office of Audit and Performance Review and the Operations Support Group, under the leadership of the Associate Administrator, has introduced briefs that summarize analysis of the substantive and managerial aspects of individual country office performance, based on oversight indicators generated by the three units. This information is intended to be part of the assessment of UNDP resident representatives and to provide UNDP with specific feedback on where it should support country offices in terms of strategic focus and practice areas.

21. Since the oversight exercise in 2003 coincided with the report on the MYFF 2000-2003, it was decided to use information that spans the 2000-2003 MYFF period. To ensure the credibility and objectivity of the exercise, data for the oversight draw on information available from internal and independent assessments (i.e., ROAR, ADR; outcome evaluations and audit). It is envisaged that, as the oversight instruments are refined, the frequency and coverage of the oversight instruments will expand over time, increasing the proportion of countries covered and providing a uniform and consistent basis for performance assessment of country offices. Oversight information for 2000-2002 was made available for the regional bureaux and Career Review Group (CRG) deliberations on country office performance.

C. Knowledge and learning for decision-making

22. The report of the Administrator on evaluation 2001 highlighted the need to cull knowledge and good practices for real time decision-making. Since then, the Evaluation Office has developed an evaluation knowledge-management strategy (EKMS), based on the corporate knowledge management strategy. It has introduced systems and procedures that will ensure greater synergy and complementarity between evaluation knowledge management and outreach to country offices. To this end, the Evaluation Office has launched a new Evaluation Resource Centre (ERC) to enable country offices, regional and central units and partners to tap more easily into and share the vast repository of empirical evidence and knowledge from the new monitoring and evaluation tools (outcome evaluations, ADRs and regular thematic evaluations) in the Evaluation Office database. The ERC is meant to be an agile, easily accessible and interconnected knowledge repository system that will be fully aligned with the new UNDP portal and ERP architecture, once functional, and will also be powered by the UNDP search engine, which will enable it to access evaluation information from internal and external sites and data resources. The EKMS is a demand-driven, proactive approach. Instead of simply producing reports, the strategy seeks to engage end users, such as country offices and regional bureaux,

to extract periodically and exchange summaries of key lessons and good practices for target audiences. Knowledge from evaluations is therefore expected to be more real time, more accessible and, most importantly, more relevant.

23. In an effort to reflect corporate priorities on knowledge and learning, EvalNet was transformed into a corporate knowledge network on evaluation. This new evaluation network aims to strengthen the evaluation knowledge base of UNDP by disseminating good practices and lessons learned on monitoring and evaluation to a broad constituency and to foster results-based performance at both country and corporate levels. In line with other UNDP knowledge networks, this network is open to all interested UNDP staff members, and facilitates regular interaction between other UNDP communities of practice, the knowledge networks, and the SURFs. Since its launch in February 2003, over 400 staff members – 72 per cent in country offices and 28 per cent at headquarters – have joined the network. A series of e-discussions have been conducted and moderated alternately by the Evaluation Office and country office staff. A number of queries have been launched by network members on topics such as the poverty reduction strategy paper (PRSP) logical framework, experiences on outcome evaluation, and the monitoring and evaluation component of PRSPs. This network is now an important tool for promoting knowledge and learning further on how to measure and assess results on a regular and systematic basis. Furthermore, a knowledge and learning module has been incorporated in the standard monitoring and evaluation training package on managing for results, currently used for junior professional officer, deputy resident representative and resident coordinator training.

24. During the reporting period, *Essentials*, the quarterly publication of the Evaluation Office for disseminating and illustrating the experiences and lessons learned in UNDP practice areas, was transformed into a real-time on-line service. Five new issues of *Essentials* were produced in 2002 – "Small Arms and Light Weapons", "Civic Engagement", "Monitoring Poverty", "Capacity Building Initiative Under the Danish Trust Fund" and "From Recovery to Transition: Women, the Untapped Resource". These issues were reviewed both through EvalNet and the SURFs.

D. Partnerships

25. Partnership in the evaluation front has gained greater recognition with the special attention given to it by the Economic and Social Council that has emphasized the need for the different United Nations organizations to work together in achieving development results at the country level. In this context, UNDP has maintained a strong partnership with United Nations system organizations as well as with other national and international agencies. This partnership includes various forms of cooperation around sharing and understanding evaluation methodologies, undertaking joint evaluations and organizing lessons-learning initiatives to deepen the culture of results orientation.

26. The Evaluation Office collaborated with the Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery and the United Nations Development Fund for Women (UNIFEM) to host a lessons-learning conference on the complex and diverse issues pertaining to women in conflict and post-conflict situations. The conference brought United Nations field officers from conflict areas worldwide together with civil society representatives to discuss experiences and strategies for

ensuring that gender perspectives are integrated into recovery and reconstruction efforts. A special edition of *Essentials*, highlighting the key lessons emerging from the conference, has been produced.

27. The Evaluation Office has also forged strong partnerships with the evaluation units of the Department for International Development of the Government of the United Kingdom, and Danish, Dutch and German government agencies, and mobilized financial support to refine corporate methodological tools and strengthen evaluation capacity in programme countries. The Evaluation Office has worked closely with the Evaluation Network of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) and promoted interactions between the United Nations Inter-Agency Working Group on Evaluation (IAWG), the DAC Evaluation Network and the Evaluation Cooperation Group (ECG) of the multilateral development banks.

IAWG, coordinated and hosted by UNDP, provides a forum for the discussion of evaluation issues within the United Nations system to promote simplification and harmonization of evaluation reporting practices. The current IAWG web site, renamed as United Nations Evaluation Forum, has been updated and redesigned to make it more interactive and to bring together all United Nations evaluators. It is hoped that the on-line knowledge-sharing platform will help this informal group to promote simplification and harmonization of evaluation reporting practices among United Nations organizations. It will also allow member organizations to work together on issues such as joint accountability, independence and transparency of evaluations, methodologies and the pursuit of new opportunities for members to work collectively on the MDGs at the country level.

In September 2002, the Evaluation Office, the World Bank and a number of bilaterals and evaluation practitioners from the South jointly launched the International Development Evaluation Association (IDEAS), a forum that aims to strengthen the capacity of the South to promote evaluation as a way of enhancing and nurturing a culture of transparency and accountability in programme countries. Development and evaluation practitioners from multilateral and bilateral organizations, governments, the private sector, universities and professional groups have joined together to help to establish, through an international steering committee from developing and transitional economies, a global network of professionals engaged in development evaluation. The forum will serve as an important platform for engaging civil society to help partner governments and national institutions to monitor and assess the development impact of the MDGs as well as strengthen evaluation capacity as an essential aspect of transparency and governance.

II. Key corporate and country evaluations

A. Evaluation of UNDP role in the PRSP process

28. The Evaluation Office undertook an evaluation of the UNDP role in the PRSP process as a result of the organization's involvement therein and its efforts in poverty reduction. The PRSP represents an area of strategic importance to UNDP and a core priority for one of its key global practices – poverty reduction. Of particular interest is its role in partnering with the United Nations system, the World Bank and the International Monetary Fund (IMF) in the PRSP process. The evaluation focused on the role of UNDP in the achievement of six key PRSP outcomes: (a) increased country ownership in the PRSP preparation process; (b) broad-based participation of civil society and the private sector; (c) multi-dimensional nature of poverty and pro-poor growth; (d) coherence between PRSPs and other longer-term national planning instruments; (e) development partnerships; and (f) poverty monitoring capacity at national and local levels. In-depth studies were conducted in a selected number of countries that provided a good typological mix of countries and regions, namely Azerbaijan, Bolivia, Ethiopia, Mali, Pakistan, the United Republic of Tanzania and Viet Nam. The evaluation also reviewed the role of UNDP as custodian of the resident coordinator system in the PRSP process, emphasizing the links between the PRSPs, the UNDAF and the MDGs.

29. A key conclusion of the evaluation is that UNDP should play both a more substantial and more substantive role because the PRSP process has the potential to transform policy-making and partner dialogue in positive and unprecedented ways. This conclusion applies even to countries in which the process is facing constraints and challenges. In most countries reviewed, the PRSP process has generated positive changes in the relationship between government and the governed, the development community, and partner governments in their efforts to promote pro-poor growth policies. However, the findings also show that few PRSPs derive their policy analysis from the MDGs, which in many countries were adopted without an effective national consultative process to make them country specific. Consequently, there is insufficient understanding and appreciation that the MDGs provide the political context for designing PRSPs. Furthermore, in terms of poverty analysis and PRSP policy links, the PRSPs do not integrate poverty and growth. While there is a coherent growth strategy in PRSP documents, they are not consistently pro-poor. Poverty and growth are treated separately and links between them are weak. This represents a key entry point for UNDP, given its emphasis on the multi-dimensional nature of poverty and capacity-building, to influence the process and forge integration between poverty and growth. The evidence suggests that the PRSP process has the potential to be more dynamic, provided UNDP engages more fully as a partner. Such engagement would provide an opportunity to make the PRSPs – in practice – the action plan for the Millennium Declaration, and to promote changes in the procedures governing the PRSPs so that their pro-poor potential is fully realized.

B. Assessment of the Millennium Development Goal reports

30. The evaluation of Millennium Development Goal reports was a forward-looking, lessons-learning assessment. It examined the quality, relevance and value added of MDG reports in order to assist UNDP and the United Nations system in supporting

countries to improve and strengthen both the process and the product. The 24 MDG reports were reviewed and eight countries – Albania, Bolivia, Cambodia, Lesotho, Senegal, Poland, Yemen and Mongolia – were selected for a more detailed assessment. The focus was on four critical issues: (a) country ownership of the process; (b) the potential value added of MDG reports in shaping national development dialogue; (c) capacity issues; and (d) advocacy and dissemination strategies.

31. The findings have significant implications for UNDP and the United Nations system. While enthusiasm for the MDGs is high, there is considerable lack of clarity on the real value added of MDG reports. Preoccupation with technocratic discussion on length, size and content seem to distract attention from the more pressing need to think strategically on: (a) the results that the reports and reporting processes are expected to generate; and (b) how the United Nations and UNDP in particular can deliver on the MDGs. There is wide variation in country ownership, authorship and added value of MDG reports as advocacy tools that can promote national policy dialogue around the MDG goals and targets. Significantly, government authorship has typically been interpreted as country ownership of the MDG reports, even though evidence from a majority of countries shows that involvement of civil society has been marginal. Contrary to expectations, the MDG reports have not as yet filtered into parliamentary or broader national policy debates, and their preparation still remains the preserve of governments and the United Nations system, particularly UNDP.

32. Finally, the assessment shows that there is the need for convergence and stronger links between the monitoring and reporting processes for MDGs and the PRSPs and other national development comprehensive frameworks and reporting instruments such as the national human development reports, the common country assessment and the UNDAF. Country offices in particular will need to focus on how to coordinate and harmonize United Nations system efforts in support of the MDGs and PRSPs and the alignment with national development frameworks. Currently, the findings are being reviewed from the perspective of the United Nations system; key issues raised appear in the annex of the report.

C. Assessment of micro-macro linkages in South Asia

33. The Evaluation Office initiated an assessment of micro-macro links in the South Asia region that was carried out between June and November 2002. The objective was to survey results and lessons learned from various poverty alleviation programmes, including the South Asia Poverty Alleviation Programme (SAPAP), in Bangladesh, India, Nepal, Pakistan and Sri Lanka with particular focus on results of (a) micro-interventions by UNDP and other donors; (b) social mobilization efforts at local levels and sensitization of higher level policy processes and decisions; and (c) policies and programmes, including major national interventions in addressing structural issues affecting poverty.

34. The assessment found that despite some successes, poverty alleviation projects in the region have been constrained by poor micro-macro links. As a result, most interventions initiated at the micro-level have not been able to change the prevailing macro-level policies and institutional structures, which continue to have complex unfavourable implications for the poor. The evidence shows that greater national commitment and ownership of projects generated better results. It also indicates that

insufficient attention is being paid to assessing the demand for poverty alleviation programmes at the design/input stage. Early national involvement and ownership are critical for avoiding duplication and ensuring that programmes are designed to strengthen institutional links, maximize visibility and influence pro-poor policies and macro-economic policy frameworks (e.g., privatization, trade, fiscal, monetary, sectoral and asset redistribution policies). Local poverty alleviation efforts have to be aligned with and shaped by economic and social welfare polices at the national level. Given that UNDP development assistance is only a fraction of the total assistance received by all five countries – where poverty levels are among the highest in the world – UNDP can not expect to wield influence with governments based on the merits of its financial contributions. Narrowing the conventional gaps that influence both micro-level practices and macro-priorities requires UNDP to be more strategic in leveraging the strengths and experience gained on the ground in each country.

D. Operational flexibility in conflict and post-conflict

35. In 2002, the crisis and post-conflict evaluation, which documents UNDP operational and managerial responses, in particular UNDP flexibility, to changing circumstances and conditions during crisis and post-conflict programme implementation, entered its final phase. Data were drawn from eight countries – El Salvador, Fiji/Bougainville, Haiti, Kosovo, Lebanon, Macedonia, Mozambique and Rwanda.

36. The evaluation has confirmed that country offices are not well aware of the kinds of problems faced in other settings, let alone the kind of solutions generated in other UNDP missions, including those in close geographic proximity. Innovations and enabling practices, such as institutionalizing knowledge-sharing on flexible response, assessing lessons adopted and monitoring implementation and performance to reward flexible response, need to be prioritized within UNDP. The evaluation also points towards broader structural changes that would be required to transform UNDP into a more flexible organization in conflict and post-conflict situations.

E. Evaluation of the Danish Trust Fund

37. Following up on the report last year of the Evaluation of the Danish Trust Fund (DTF), the Evaluation Office convened a final lessons-learning workshop in Hanoi, Viet Nam, in September 2002 to address the lessons that have emerged from the experience. The workshop brought together the five programme countries – Kyrgyzstan, Malawi, Nicaragua, Viet Nam and Zimbabwe – as well as UNDP headquarters and the Government of Denmark. One of the most important conclusions to emerge from the workshop was that all Danish Trust Fund projects had a bearing on policy and/or legal frameworks, thereby proving the hypotheses of the original assessment that UNDP is well placed to provide such assistance. Since the inception of the Danish Trust Fund, UNDP has steadily increased its provision of capacity development assistance in governance and has evolved to become a more proficient provider of upstream advisory services in this area. Therefore, the Danish Trust Fund lessons, which have been published as *Essentials*, are poised to help UNDP as it further enhances its work in this area.

F. Evaluation of poverty-governance links

38. The Evaluation Office has started an evaluation to analyze the link between democratic governance and poverty alleviation based on empirical evidence to identify what has worked and why, and explore key entry points of governance for poverty assistance. The first phase of this evaluation, which included conceptualization, consultation, selection of country case studies and desk reviews have already been completed. The conduct of the evaluation will be undertaken in 2003, and the evaluation report is expected in early 2004.

G. Country evaluations: assessment of development results – Bulgaria, Nigeria and Viet Nam

39. The Bulgaria ADR provides strong evidence that UNDP work in Bulgaria has had a significant bearing on recent national policy, legislative and institutional change that has fostered closer links between the macro and micro-levels of national governance and poverty eradication. The role and strategy of UNDP has been to address the human development dimension of the twin processes of transition to a market-based economy and European Union accession. The increase in the relative priority of the social sectors in government policy may be considered the most important result associated with UNDP work. It is the combination of policy and operational focus that has given UNDP a crucial place in national development, especially with regard to keeping the needs of the poor and vulnerable at the forefront of the development agenda throughout the transition period.

40. The ADR also noted a high degree of synergy between the different strands of programming, strategically aimed at partnerships, resource sharing and advocacy. While total aid has been fairly high for a relatively small country like Bulgaria, the use of UNDP core resources for developing successful pilot initiatives and influencing the government was very modest. Therefore, UNDP has shown considerable success in partnership-building.

41. The findings of the Nigeria ADR show mixed results. In line with Executive Board decision 97/25 that at least 80 per cent of UNDP resources be directed to the community level, UNDP was able to redirect its operations to community levels and initiate participatory poverty reduction interventions that aim to support the poorest segments of society in all the 36 states of Nigeria. Despite positive results registered at the community level and valuable lessons learned, evidence from the ADR shows that in terms of sustainability and cumulative impact UNDP integrated community development programmes (ICDP) raise the issue of scale and balance. In most cases, the wide geographical spread has led to dispersion, overextension and limited impact. Because development results have been largely dependent on institutional capacities and the dynamism and interest of governments, issues of ownership and sustainability of UNDP interventions will need to be addressed.

42. The most significant achievements have been in the area of advocacy for human development and partnership-building evident in the awareness engendered by the national human development reports (NHDRs, for 1996, 1998, 2000-2001), Vision 2010, the nascent National Partnership Forum (NPF) and the Human Development Network (HDN). The NPF and HDN have established an important dialogue forum that brings together government, the private sector and civil society organizations. Perhaps the major innovation has been the initiation of corporate responsibility with

Shell and Chevron, key oil companies in the delta region, around issues of conflict resolution, peace-building and resource mobilization for community poverty reduction programmes.

43. Given the high transaction costs and risk of dispersal involved in grass-roots support, the ADR recommends narrowing the focus and adopting a judicious mix of micro and macro-level interventions that speak to the organization's comparative advantages. In this regard, UNDP will need to identify good practices, and to seek local partners to scale up and consolidate the positive outcomes of its most successful pilots. UNDP has been a responsive and trusted partner and its future challenge is to turn around lessons learned and its organizational assets, leveraging them to influence policy and agenda setting at macro, federal and state levels.

44. Over the last 10 years, Viet Nam has achieved remarkable progress in strengthening its national economy and improving the well being of the vast majority of its people, largely a result of the commitment of the Government to renovation – *doi moi* – since 1986. UNDP has performed a creditable job in tapping some of the most strategic opportunities for assistance to Viet Nam. This is especially valid with respect to governance, where UNDP assistance has responded to issues at the heart of the unfolding reform process – a more open economy, reform of the institutional framework for a socialist market economy, and capacity development for the executive and legislative branches of government. While numerous changes have taken place in the country's legal framework, it has yet to meet the requirements of an effective and independent judicial system for a market-oriented economy, which requires a holistic perspective to foster better linkages and sharing of information between the legislature, judiciary, the Ministry of Justice and other associated organizations.

45. The country office plan to study people's perceptions concerning access to justice and the rule of law is an excellent stepping stone towards determining a clearer focus for judicial reform. In particular, UNDP has managed to stay in step with the emergence of major development concerns in the country and, in a number of instances, had been a "first mover" in areas increasingly recognized as key challenges for Viet Nam by other development partners. However, the evaluation has identified the need for the country office to enhance its capacity for policy advice and upstream engagement to leverage better UNDP comparative advantages vis-à-vis national partners. While its advisory role in the macro-economic area has worked well in the past, it needs to develop similar capacity in some other areas such as legal and judicial reforms, decentralization with special focus on the requirements for poverty reduction strategies, and a bottom-up approach to rural development, environment, sustainable development and information technology.

H. Evaluations by UNDP associated funds and programmes

United Nations Capital Development Fund

46. Sixteen independent, external evaluations were conducted of the United Nations Capital Development Fund (UNCDF) projects in 2002, mostly covering projects in two UNCDF niche areas - local governance and microfinance. In addition, UNCDF also conducted a review of gender mainstreaming in UNCDF projects and programmes for local governance, and supported a donor peer review of UNDP institutional practices in microfinance as part of an aid effectiveness initiative led by the Consultative Group to Assist the Poor (CGAP). The local governance projects were found to be effective in influencing and supporting policy-making in decentralization and, in contrast to previous years' findings, the evaluation findings indicated that the monitoring and evaluation systems established at the project level have improved. However, gender mainstreaming remains a challenge across the board. In response, UNCDF has prepared a gender action plan to address the recommendations for improvement. The donor peer review recognized the excellence of the technical services provided by the UNCDF Special Unit for Microfinance. UNCDF will coordinate an organization-wide portfolio review of UNDP microfinance operations in 2003, and also undertake an impact assessment in 2004 that will inform the Executive Board members and UNCDF donors on the concrete outcomes of the ambitious undertakings of the Fund since 1995.

United Nations Development Fund for Women

47. Continuing from 2001, UNIFEM paid special attention to closely linking gender sensitive evaluations and assessments to internal learning, strategic planning and programme development. UNIFEM was involved in 15 evaluation and assessments, including mid-term reviews, throughout the year. Key among these in 2002 were the final phase of the assessment on initiatives to end violence against women that was started in 2001, the completion of the Independent Experts' Assessment on the impact of war and armed conflict on women, and the review of UNIFEM work on women's leadership and political empowerment activities. The organization-wide Global End-Violence Against Women assessment completed in 2002 offered an effective model with regard to methodology that UNIFEM will continue to use. The assessment was undertaken in a decentralized manner, with each sub-regional programme taking the lead in the reviews in their region based on globally agreed principles.

Montreal Protocol Unit

48. Montreal Protocol programmes and projects implemented by UNDP are subject to the established monitoring and evaluation criteria of the Multilateral Fund for the Implementation of the Montreal Protocol (MLF). During the period from July 2002 to June 2003, UNDP Montreal Protocol projects were included in the evaluations undertaken under the leadership of the Senior Monitoring and Evaluation Officer of the MLF and within the framework of an established and approved intergovernmental monitoring and evaluation system. Full-fledged evaluations were

conducted in the aerosol, mobile air conditioning, halon sectors while desk studies were initiated in the area of refrigerant management plans and the chlorofluorocarbons (CFC) production sectors.

United Nations Volunteers

49. United Nations Volunteers (UNV) conducted a total of 16 evaluations/reviews from Africa, Asia, Europe and Latin America, including 14 project evaluations, a country review in Guatemala and a strategic review of the UNV Programme Officer Empowering Mechanism (POEM), a UNV facility established to strengthen the proactive roles of UNV programme officers in their countries of assignment. Approximately 900 volunteers were assigned under these initiatives. These evaluations highlighted the contribution of UNV volunteers in the consolidation of the peace process, strengthening of human rights in Guatemala, initiating change processes with resultant benefits for local populations in Kyrgyzstan, piloting the successful demobilization of ex-combatants in Niger, and undertaking a multitude of activities effectively contributing to confidence-building among young people of different ethnicity in Bosnia-Herzegovina. While UNV volunteers were involved in a range of activities, the largest contingent was mobilized in support of the United Nations Verification Mission in Guatemala, which summed up their contribution as follows: "the success of the United Nations in human rights would not have been possible without the volunteers".

Global Environment Facility

50. Between July 2002 and June 2003 the UNDP Global Environment Facility (GEF) completed its annual project implementation review and coordinated 19 independent project evaluations, including independent evaluations of two of its major programmes – the Small Grants Programme and the Country Dialogue Workshops programme. In addition it has collaborated with the UNDP country office in China on the outcome evaluation of its energy and environment portfolio, where UNDP GEF projects represent a significant part. At the GEF corporate level, UNDP GEF has participated in five broader thematic studies and evaluations initiated by the GEF secretariat. These include the development of programme impact indicators in biodiversity and international waters focal areas, a review of GEF engagement with the private sector, a review of financial instruments for sustainability of biodiversity conservation, and a study of the nature and role of local benefits in GEF focal areas. Overall findings indicate that strong decentralized institutional and management arrangements at the national level continue to be a key factor for the sustainability of GEF programmes. There should be more interaction and cross-learning between countries and greater focus on policy advocacy at the regional and global levels.

Technical Cooperation among Leveloping Countries

51. In the period under review the Special Unit for Technical Cooperation among Developing Countries (TCDC) prepared four reports that assessed the promotion of South-South cooperation by the Unit and other partners, including organizations of the United Nations system, United Nations Member States, multilateral agencies and

intergovernmental organizations. According to the reports, South-South cooperation is becoming a mainstream modality, attracting new actors among non-governmental organizations and the private sector. The lack of financial resources, coherent policies and adequate information on experts and other capacities in the South are among the key factors that have hindered effective application of South-South approaches to development.

III. Future directions

52. The evolving emphasis on managing for results to improve development effectiveness has increased the demand for evaluative evidence and real-time, results-based learning as well as an increased expectation of the evaluation function. While UNDP has overhauled its entire monitoring and evaluation framework to be simpler, more results-based and oriented towards learning, the challenge is to institutionalize the changes, for which UNDP will need to place more emphasis on building capacity at the country level to monitor and evaluate results, which in turn requires a further strengthening of the evaluation capacity in UNDP. The introduction of the ADRs marks a major shift in terms of assessing country programmes from a strategic perspective and focusing on results and impact, especially the value added of UNDP interventions. Lessons learned from the results of the first batch of ADRs have to be incorporated into programming so as to enhance the accountability of the evaluation function. The accessibility of lessons and feeding evaluation recommendations back into decision-making remain a major focus for more effective learning and accountability – given the increasing challenges of UNDP activities as more locally-driven programmes focusing on the MDGs and broader range of partners are introduced. In this regard, Evaluation Office priorities for 2003-2004 will be as follows:

(a) *Deepening the culture of performance measurement and managing for results.* It is necessary to strengthen the application of UNDP RBM monitoring and evaluation tools and architecture through: (i) building capacity of country offices to integrate the new monitoring and evaluation tools in their management practice; (ii) mainstreaming of ADRs as means for supporting development effectiveness of UNDP interventions at the country level; and (iii) continuing with the publication of the DER for global assessment of UNDP contribution to development effectiveness.

(b) *Enhancing the role of 'communities of practice' on evaluation, including the role of United Nations system partners.* With the launch of the EvalNet and the United Nations Evaluation Forum, there is now much better scope for UNDP and the United Nations to enhance learning from evaluation. This needs to be exploited more fully by UNDP as part of its partnership strategy with other United Nations organizations to foster the sharing of lessons learned on monitoring and evaluation methodologies and issues of strategic national importance, especially in the context of the MDGs.

(c) *Promoting partnerships on evaluation capacity development (ECD).* UNDP evaluations of the PRSPs and MDG reports have demonstrated that there are critical evaluation capacity gaps at the country level that need to be addressed, for which IDEAS represents an important initiative. Emphasis in the MDGs and PRSPs has thus far been on monitoring programmes. However, UNDP will need to work with other development partners in strengthening national evaluation capacities specifically in the context of strengthening the links between the MDGs and PRSPs, and assessing their development impact. As in the past, this work will require more

innovative approaches to partnering at both corporate and country levels through knowledge-sharing and exchanges, support to monitoring and evaluation simplification and harmonization within the United Nations system, collaboration with and support to IAWG and enhancing ECD.

Annex. Evaluation compliance based on the new monitoring and evaluation framework

53. The report of the Administrator on evaluation 2001 (DP/2002/27) introduced the new monitoring and evaluation framework and compliance measurement system, which is based on results, simplified and better aligned with the UNDP culture of learning and knowledge.

54. The new evaluation compliance system is based on outcome evaluations, harmonized with the programme period. Compliance is calculated over the course of the given programme period (be it country, regional or global) to allow for flexibility and to adapt to changing circumstances and learning needs of the country office/unit. This means that the evaluation plan is a rolling one.

A. Compliance

55. The reporting based on the new compliance system will begin in the report of the Administrator on evaluation 2003, which will be presented next year. Compliance based on the receipt of evaluation plans, as reported in the report of the Administrator on evaluation 2001 and presented to the Executive Board at its second regular session 2002, was 89 per cent. These results were better than in the past, thanks to the flexibility and independence given to country offices.

B. Trends

Outcome evaluations planned in 2002:

56. A total of 43 outcome evaluations were planned in 2002 by 37 countries – nine countries in RBA; seven in RBAP; nine in RBEC; one in RBAS and 11 in RBLAC. Of these, the countries that have successfully completed their outcome evaluations are Mali and Eritrea in RBA; China, the Democratic People's Republic of Korea and the Islamic Republic of Iran in RBAP; the Russian Federation, Tajikistan and Ukraine in RBEC; Sudan in RBAS and Honduras, Panama, and Uruguay in RBLAC. Azerbaijan, Lithuania, the former Yugoslav Republic of Macedonia, Morocco, Pakistan and Peru also conducted evaluations. However, these evaluations are being worked on further in order to make them outcome oriented. Kenya has completed its evaluation, but the report has yet to be received. The balance of outcome evaluations has been rescheduled to later a date in the respective country programmes.

57. With 12 outcome evaluations, RBLAC had the highest number of evaluations planned in 2002, followed by RBEC and RBA with 11 evaluations each; RBAP with eight and RBAS with one evaluation. A SRF goal-wise analysis of outcomes planned for evaluation in 2002 indicates that the largest number of evaluations were planned in governance – 49 per cent, followed by poverty – 30 per cent; environment – 12 per cent; special development situations – 7 per cent; gender – 2 per cent, and United Nations support – 0 per cent. SRF goals are used here, although the second MYFF 2004-2007 will have practice areas and these terms will be revised accordingly.

Bureau-wise breakdown of outcome evaluations by SRF goals

58. The bureau-wise breakdown of SRF goals in which a majority of outcome evaluations are concentrated are democratic governance, poverty and environment (figures 3, 4 and 5). There are fewer outcome evaluations planned in the other three SRF goals. Only two bureaux have planned outcome evaluations in special development situation and United Nations support. RBAP is the only bureau to have planned an outcome evaluation in gender.

Figure 1. Outcome evaluations by region 2002

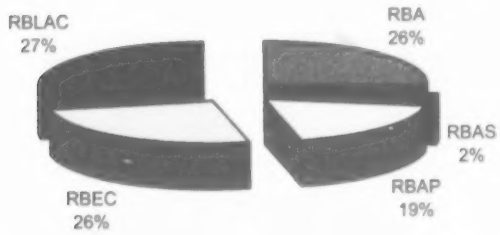
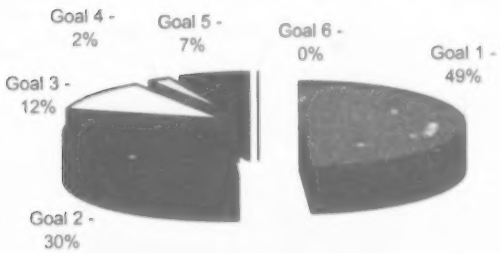


Figure 2. Goal-wise break-up of outcome evaluations 2002



Goal 1 – governance; Goal 2 - poverty; Goal 3 – environment; Goal 4 – gender; Gender 5 – special development situations; Goal 6 – United Nations support.

Figure 3. Democratic governance

Figure 4. Poverty

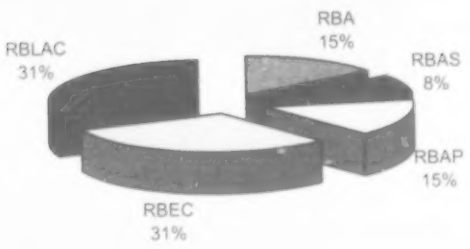
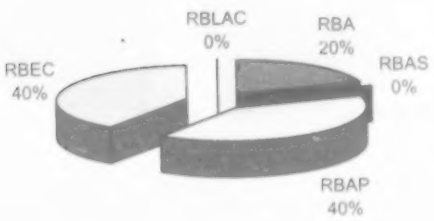


Figure 5: Environment



Outcome evaluations breakdown by bureaux and SRF goal– 2002

59. This section reviews trends in outcome evaluations that had been planned in 2002, some of which have now been re-scheduled for 2003.

Total outcome evaluations by SRF goal and region, 2002

Goal	RBA	RBAS	RBAP	RBEC	RBLAC	Total
Goal - 1 Governance	6	0	4	3	8	21
Goal - 2 Poverty	2	1	2	4	4	13
Goal - 3 Environment	1	0	2	2	0	5
Goal - 4 Gender	1	0	0	0	0	1
Goal - 5 Special development situations	1	0	0	2	0	3
Goal - 6 United Nations support	0	0	0	0	0	0
Total	11	1	8	11	12	43

60. The SRF sub-goal wise breakdown within the goals of these originally planned evaluations is as follows:

Governance

61. *Dialogue that widens development choices.* Accounted for 29 per cent of all evaluations planned under governance in 2002 (RBLAC – 67 per cent, RBA – 33 per cent, RBAS, RBAP and RBEC – nil) The countries that planned to conduct evaluations in this sub-goal were: Bolivia, Burundi, Costa Rica, Honduras, Nigeria and Panama.

62. *Key governance institutions.* Accounted for 29 per cent of all evaluations planned under governance in 2002 (RBA – 50 per cent, RBAP – 33 per cent, RBEC – 17 per cent, RBAS and RBLAC – nil) The countries that planned to conduct evaluations in this sub-goal were: Ethiopia, Islamic Republic of Iran (2), Lesotho, Lithuania and Senegal.

63. *Local governance.* Accounted for 24 per cent of all evaluations planned under governance in 2002 (RBAP – 40 per cent, RBA – 20 per cent, RBEC – 20 per cent, RBLAC – 20 per cent and RBAS – nil) Countries that planned to conduct evaluations in this sub-goal were: Cuba, Mali, Nepal, Pakistan, former Yugoslav Republic of Macedonia.

64. *Public sector*. – Accounted for 19 per cent of all evaluations planned under governance in 2002 (RBLAC – 75 per cent, RBEC – 25 per cent and RBA, RBAP and RBAS – nil). Countries that planned to conduct evaluations in this sub-goal were: Argentina, Azerbaijan, Brazil and El Salvador.

Poverty

65. *National poverty framework*. Accounted for 38 per cent of all evaluations planned under poverty in 2002 (RBEC and RBLAC – 40 per cent each, RBA – 20 per cent, RBAP and RBAS – nil) Countries that planned to conduct evaluations in this sub-goal were: Azerbaijan, Bulgaria, Guyana, Nigeria and Uruguay.

66. *Access to assets*. Accounted for 62 per cent of all evaluations planned under poverty in 2002 (RBAP, RBEC and RBLAC – 25 per cent each, RBA and RBAS – 12.5 per cent each). Countries that planned to conduct evaluations in this sub-goal were: Croatia, Democratic People's Republic of Korea, El Salvador, India, Nigeria, Peru, Sudan and Ukraine.

Environment

67. *Environment and energy for livelihoods*. Accounted for 80 per cent of all evaluations planned under environment in 2002 (RBAP – 50 per cent, RBA and RBEC – 25 per cent each, RBAS and RBLAC – nil). Countries that planned to conduct evaluations in this sub-goal were: China, Kenya, Mongolia and the Russian Federation.

68. *Instruments for environmental sustainability*. Accounted for 20 per cent of all evaluations planned under environment in 2002 (RBEC – 100 per cent and RBAS, RBA, RBAP and RBLAC - nil). The country that planned to conduct evaluations in this sub-goal was Belarus

Gender

69. *Gender equality*. The only country that planned to conduct an evaluation in 2002 in this goal and sub-goal is Botswana in RBA.

Special development situations

70. *Conflict prevention and peace-building*. Countries that planned to conduct evaluations in this goal and sub-goal were: Azerbaijan, Eritrea and Tajikistan.

United Nations support

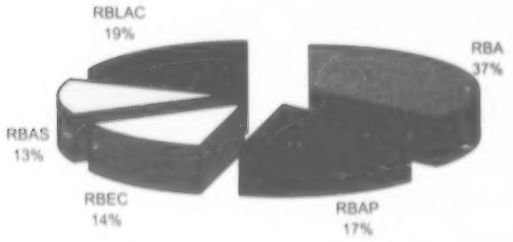
71. None.

Overall trends – 2003-2006

72. The total number of outcome evaluations planned from 2003-2006, now stands at 303, with a majority of evaluations scheduled for 2003 and 2004. As reported last year, these years constitute the middle or the end of the programming periods for over 70 per cent of countries. It is likely, therefore, that country offices consider this period an appropriate time to conduct outcome evaluations, as information from evaluations at this point in the programming period would either help them to make adjustments in their programmes or could be useful to help them to plan for the next programming period.

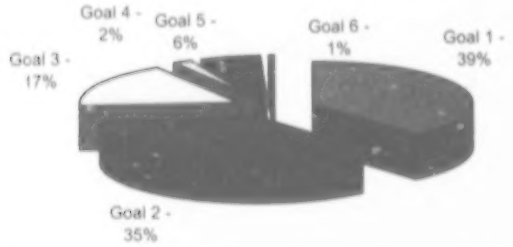
73. The highest number of evaluations planned during this four-year period is in RBA – 111, followed by RBLAC – 57, RBAP – 53, RBEC – 42 and RBAS – 40.

Figure 6: Outcome evaluations planned by region 2002- 2006



74. The evaluation trend started in 2002 of concentrating evaluations in the governance, poverty and environment goals continues throughout the four-year period. A total of 117 evaluations are planned in the area of governance, 107 in poverty and 53 in environment. In special development situations, gender and United Nations support, 18, 6 and 2 evaluations have been planned, respectively.

Figure 7: Goal-wise breakdown of outcome evaluations 2002-2006



Goal 1 – governance; Goal 2 – poverty; Goal 3 – environment; Goal 4 – gender; Gender 5 – special development situations; Goal 6 – United Nations support.

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Evaluation

Report on the assessment of the MDG reports

Executive summary

Summary

The present executive summary of the report on the assessment of the MDG reports introduces the key findings in preparation for a presentation of the full report and discussion at the first regular session 2004. A management response will be available at that time.

The Executive Board may wish to take note of the present executive summary.

Contents

Chapter		*Pages*
I.	Context	2
II.	Main findings	3
III.	Reporting challenges	6
IV.	Recommendations	8

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I. Context

1. The present report presents a synopsis of the findings of the rapid assessment of the Millennium Development Goals reports (MDGRs) that was conducted by the Evaluation Office of the United Nations Development Programme between February and May 2003. The assessment was undertaken at the request of UNDP central units and the regional bureaux to examine the reporting processes in place and assess the quality, relevance and value added of MDG reports, with a view to assisting UNDP and the United Nations country teams (UNCTs) to improve reporting on the progress made towards the attainment of the MDGs. It focuses on the following aspects of the MDGRs:

(a) value added;
(b) content and quality;
(c) ownership;
(d) capacity;
(e) advocacy and dissemination; and
(f) alignment and linkages with other country level reporting processes.

2. The findings and recommendations of this assessment are intended to inform UNDP senior management, country offices and UNCTs on how to improve the 'product' and to strengthen the reporting

3. The Millennium Development Goals (MDGs) are central to the mission and priorities of UNDP and, indeed, those of the entire United Nations system. MDG reports are emerging as one of the most important instruments for tracking and monitoring progress at the national level and for putting into place effective public campaign strategies for attainment of the MDGs. The significance of this assessment stems from the Secretary-General's designation of the UNDP Administrator, in his capacity as chair of the United Nations Development Group (UNDG), to be the scorekeeper and campaign manager for the MDGs. The initiative for reporting on the MDGs started in 2001, with Cambodia, Chad, Tanzania and Viet Nam producing the first MDGRs. By April 2003, 23 countries had produced MDG Reports. Of these, seven were produced in 2001, 16 in 2002 and by April 2003, another three had been released. Cameroon and Viet Nam have already produced two MDGRs, in 2001 and 2002 respectively. At present, another 50 countries are in the process of preparing MDGRs due for release by the end of 2003.

4. The evaluation team adopted a variety of approaches in carrying out the assessment, ranging from desk reviews of key documents and interviews with stakeholders to country visits and observation of the MDGR processes. The evaluation team reviewed documents relating to the MDGs, and held meetings with key UNDP and UNDG officials in New York and a wide range of stakeholders at the country level. The team leader and another team member, respectively, attended a regional workshop on MDGs organized by the Regional Bureau for Asia and the Pacific in Dhaka between February 22-24, 2003 and a similar workshop on in Senegal being held concurrently.

5. Altogether, the evaluation team undertook a comprehensive review of 24 MDGRs that had been published as of April 2003, and administered a questionnaire to 24 country offices to obtain details on the process. Eight countries

were selected by the Evaluation Office in consultation with UNDP's Regional Bureaux: Lesotho and Senegal in Africa, Cambodia and Mongolia in Asia and the Pacific, Albania and Poland in Eastern Europe and CIS, and Bolivia in Latin America and the Caribbean and Yemen in the Arab region for in-depth case studies. (The team was unable visit Yemen due to security restrictions, and the Yemen country report was prepared by the national consultant on the team.) National consultants were commissioned in each country to prepare comprehensive background reports on the MDGRs and these reports formed the basis for the team's detailed discussion with several stakeholders including the UNCTs, representatives from government and civil society, members of parliament, the media, and others.

6. A caveat is in order. This forward-looking assessment is not intended to shed light on the progress made towards realizing the MDGs. It is too early for such an assessment. The focus is on the preparation of the MDGRs – identifying features of the process and the product that are important. The evaluation highlights key issues and concerns for improving reporting at the country level and discusses some implications for UNDP and for the United Nations system.

II. Main findings

7. The findings emanating from the assessment that are listed below may have significant implications for UNDP and the United Nations system. Overall, there are wide variations in country ownership, authorship and value added of MDGRs as advocacy tools and, contrary to expectations, these reports have not as yet filtered into parliamentary or broader national debates on the MDGs and their targets. There is a need for convergence and stronger links between the monitoring and reporting processes of MDGs, poverty reduction strategy papers (PRSPs) and other comprehensive national development frameworks and reporting instruments such as national human development reports (NHDRs), the common country assessment (CCA), and United Nations Development Assistance Frameworks (UNDAFs). The findings suggest that UNDP country offices in particular will need to focus on how to coordinate and harmonize UN-wide efforts in support of the MDGs and the PRSPs and their alignment with national development frameworks.

Value added of MDGRs

8. There seems to be a lack of clarity on the real value added of the MDGRs. Lost as a result of the preoccupation with technocratic discussions on the length, format and content of the MDGRs and the setting up of steering committees, working groups and task forces is strategic thinking on: (a) the results that the MDGRs are expected to generate, (b) how to use the MDGRs more effectively for transforming the lives of people, and (c) how the United Nations in general, and UNDP in particular, can deliver on the MDGs.

Content and quality

9. While it is encouraging to see countries adapting the MDGs to their country-specific context, a much more open and transparent process of negotiation

and public discussion is needed to arrive at a well thought out set of country-specific goals, targets and indicators that could be nationally monitored. Furthermore, despite the specification of goals, targets and indicators, there are major data gaps in reporting. Regular data are not presented on many of the suggested targets and indicators. Particularly glaring gaps in statistical reporting are seen in the absence of disaggregated data on most indicators. It is vital to track how the poorest and most disadvantaged in society are faring. Unfortunately, data on gender differentials, and also on the quality of life of minority communities, ethic and racial groups, disabled or even the poorest quintile of the population, are seldom available in most countries. The lack of appropriate data has prevented many countries from reporting effectively on issues of environmental sustainability and women's empowerment. Significantly, few countries report on Goal 8 ("Develop a global partnership for development").

Ownership

10. The assessment reveals wide variations in the ownership and authorship of MDG reports, although successful efforts have been made by UNCTs to engage government in the preparatory process. While it is important to encourage diversity to promote country ownership and reflect country-level realities, more strategic thinking is needed on what forms of reporting will generate maximum public support and action around the MDGs. Evidence from this assessment suggests that in many cases it has been convenient to mistakenly equate government authorship with national ownership.

Capacity

11. Effective participation in the MDGR preparatory process is often constrained by the capacity within a country. The evaluation examined two aspects of capacity. The first concerns a country's statistical capacity for data collection, analysis, monitoring and reporting on the MDGs. The second, closely related to the first, concerns the capacity of organizations (government, the United Nations and civil society organizations) within the country to support the preparation of MDGRs and, more broadly, attainment of the MDGs.

12. *Statistical capacity* varies within a country from one goal to another. In most countries and regions, especially in Africa, weak statistical capacities are likely to pose the biggest challenge for proper reporting on the MDGs. Two of the weakest areas in terms of specific capacities, as reported by countries, are: (a) the capacity to incorporate statistical analysis into policy; and (b) monitoring and evaluation capacity. Particularly striking is the extremely limited capacity in countries to address three specific MDGs: Goal 5 (Improve maternal health); Goal 6 (Combat HIV/AIDS, malaria and other diseases); and Goal 7 (Ensure environmental sustainability). Statistical capacity strengthening at the country level will mean addressing several issues as a matter of priority, including: (i) strengthening the database to make it more comprehensive and relevant to the MDGs; (ii) enhancing capacity within countries for monitoring and evaluation and incorporating data for decision making; (iii) developing short-term measures that can help assess progress towards the attainment of the MDGs; and (iv) strengthening links between MDGR and PRSP monitoring in PRSP countries.

13. *Organizational capacity* of the principal stakeholders associated with the preparation of the MDGRs is equally important. Such capacities vary from one country to another.

(a) *Government capacity* is frequently constrained by four types of deficiencies: shortage of staff, limited professional competence, frequent transfers, and limited ability to produce easy-to-read reports that comment on human development trends in society.

(b) *Civil society organization (CSO) capacity* is important for ensuring effective ownership and participation in the MDGR preparation process. In some countries, non-governmental organizations (NGOs) are few; and they frequently lack adequate capacity to engage in policy dialogue. In other instances, governments do not encourage NGO participation and involvement. They tend to view NGOs as adversaries. In such cases, UNDP and the United Nations system have a crucial role to play in nurturing NGOs and in promoting the active engagement of CSOs.

(c) *United Nations capacity* in general and *UNDP capacity* in particular are important for ensuring effective reporting on the MDGs. Once again, the findings of this assessment show that the capacity of the United Nations system varies from one country to another. With few exceptions, in-house UNDP capacities for policy advice, monitoring, reporting, advocacy, communication and coordination are limited. Here again, the heads of most United Nations organizations point out that they too are short-staffed. As a result, the members of most United Nations organizations on the MDGR preparation team do not seem able to find sufficient time to engage fully and comprehensively in the preparation of MDGRs.

14. The authors of the present evaluation believe that a systematic and strategic assessment by UNDP has the potential of greatly improving the effectiveness of capacity-building efforts at the country level. It is also important to address the following four areas: (a) better coordination at different levels – national and international, and especially between United Nations organizations at the country level; (b) capacity for policy analysis and formulation; (c) capacity for resource mobilization; and (d) capacity for assessing development effectiveness.

Advocacy and dissemination

15. Advocacy and dissemination are essential elements for delivering on the MDGs. The UNDP country offices have introduced many creative activities, often without a well thought out long-term strategy for advocacy. The assessment reveals divergent actions at the country level, and differing opinions with respect to responsibilities. There is a sense that in the process of advocating for the MDGs, the United Nations system may be generating too many expectations without necessarily having the capacity to deliver. Whereas effective advocacy on the MDGs is necessary, advocacy alone will not be sufficient to generate good policies or ensure good results.

Reporting on human development at the country level

16. There is need to link up more strategically to ongoing processes of reporting on human development at the country level. There is clearly a need to strengthen the links between MDGRs and NDHRs. Given their complementary roles, NHDRs and MDGRs must be seen as mutually supporting documents, not as

adversaries, if they are to bring added value to the process of national development dialogue and agenda setting. MDGRs are intended for awareness advocacy; while NHDRs are intended for policy advocacy. NHDRs must become the main source for data on which the MDGRs will draw. At the same time, NHDRs need to be strengthened for their effectiveness in offering policy analysis and advice to countries. Similarly, it is necessary to take a second look to rationalize and simplify other United Nations reporting requirements such as the CCA and the UNDAF in the light of the MDGRs.

Organizational issues

17. The assessment includes the following organizational findings relating to UNDP, the role of the resident coordinator and the ties between governments, international financial institutions (IFIs) and the United Nations, especially in PRSP countries.

(a) *The role of the UNDP.* Reporting on MDGs has several implications for the role of UNDP at the country level in terms of fulfilling expectations, redefining the nature of programme support, redefining partnerships (with other United Nations organizations, bilateral organizations and IFIs, as well as with government and civil society organizations), strengthening in-house competencies, and envisaging what is critically needed to bring about the more active engagement of civil society. Discussions will be necessary to clarify the roles and responsibilities of the various stakeholders.

(b) *The role of the resident coordinator.* The role of the resident coordinator system in reporting on and campaigning for the MDGs needs to be clarified. High expectations are being generated without a clear understanding of how the resident coordinator system will be strengthened (both in terms of manpower and financial resources) to sustain MDG reporting and campaigning efforts.

(c) *Ties between government, IFIs and the United Nations in PRSP countries.* In PRSP countries, closer ties between government, IFIs and the United Nations system will help strengthen monitoring of progress towards the attainment of the MDGs. The assessment highlights the need for greater clarity, convergence and coordination between monitoring and reporting processes for the MDGRs and the PRSPs. UNDP country offices in particular will need to focus on how to coordinate and harmonize United Nations-wide efforts in support of the MDGRs and PRSPs.

III. Reporting challenges

18. The assessment has identified a set of *seven challenges* that must be met as the UNDP and the United Nations move rapidly to strengthen reporting on MDGs.

The communication challenge

19. Much must be done at the country level to promote awareness of the MDGs. While MDGRs have a useful role to play in educating and sensitizing the public on the MDGs, there is definite 'reader fatigue' setting in. It is therefore critical to bear in mind the distinct purpose of the MDGRs and keep the reports

simple, brief, and visually appealing. It is particularly important to keep the language free of jargon. The findings of this assessment suggest that presenting data or announcing goals may not be sufficient; people need to relate the goals to their lives. Some description must accompany any data in order to humanize the reports. MDGRs must portray the true picture of human poverty and reflect, in particular, the changes occurring in the lives of the poorest and most neglected communities in society. Equally important, communication about MDGs must re-assure NGOs and others that the focus on MDGs is not intended to displace attention from other issues such as violence, discrimination, human rights violations and the like. The evidence from the assessment leads to the conclusion that it maybe useful to make the MDGRs strategically 'controversial' so that the dialogue that follows sparks off debates in parliaments, in the media and among citizens.

The participation challenge

20. UNDP and the United Nations system need to be conscious of the dangers of equating government authorship to national ownership. Processes need to be put in place for ensuring fair inclusion of NGOs and effective consultation with CSOs and all key national stakeholders and consciously widening the circle to include the private sector, Parliamentarians and others as advocates of MDGs. An open process of consultation with partners will need to be adopted to review, reform and recalibrate goals, targets and indicators. While the participation of NGOs and CSOs is invaluable, it must, however, not end with the production of the MDGR. The real essence of participation will lie in mobilizing support of NGOs and CSOs in the follow-up actions needed to attain the MDGs at country level.

The reporting challenge

21. MDG reporting must link up with the country-level political processes to position the MDGs as a central item on the public development agenda. MDGRs must be seen not as statistical reports, but as a popular, public affairs and political reports that will mobilize society's support. Regardless of who authors an MDGR, it must be honest, bold, and accurately depict the human development situation in the country. To have added value, the MDGR should spark debates on policy relevance and encourage public dialogue on the MDGs. The assessment indicates that mechanisms are needed to ensure regular and periodic reporting on the MDGs at the country level. Disaggregated data on trends and numerous indicators must be presented in an easy-to-comprehend manner. A decision also needs to be taken on reporting on the MDGs by developed countries.

The statistical challenge

22. Concerted efforts are needed to address the issue of gaps in data revealed by this assessment. There are additional issues of standardization of definitions and methodology, timing, quality, and the like, which must be addressed. Special attention must be paid to disaggregation of data by identifiers such as gender, location, and ethnicity so that differentials can be assessed and the progress of the poorest groups can be tracked more effectively. More needs to be done to improve public access to data on human development and the MDGs. Supplementary products (such as short reports) on different dimensions of the MDGs will be need to be planned.

The campaign challenge

23. Launching a professionally designed campaign with a long-term strategic mission is an urgent necessity. This has to be country-specific, keeping in mind (a) sensitivities within a country, (b) the generally low confidence of people in governments and political leadership, and (c) the dangers of not meeting the expectations that a campaign can generate. An important consideration is to identify who will design, direct and finance the campaign. A professional assessment will help address the issue of whether or not there ought be a lead agency for each goal. The potential of parliamentarians and the media to support the campaign needs to be tapped more systematically. Getting a buy-in for the MDGs may be simpler in the PRSP countries, where the process of promoting country ownership of the PRSP has been put in motion, and also in countries with a high dependence on official development assistance (ODA). However, different strategies will be needed to ensure buy-in on the part of developed countries and those less dependent on ODA than, for example, the PRSP countries or heavily indebted poor countries.

The evaluation challenge

24. Tracking progress through the use of data is not evaluation. It is important to move beyond reporting numbers to evaluating progress. Governments and citizens will soon want to know why policies are not working and what changes are needed. Though the MDGR is not the place to discuss policy alternatives, the success of reporting will depend upon the effectiveness of policy analysis and programmatic evaluations. The NHDRs will have an even more important role to play as MDGRs become popular in stimulating public debates and demanding action.

The global cooperation challenge

25. Monitoring the global consensus on partnership for development is critical with respect to the MDGs. Having well-defined goals, targets and indicators for ODA is a useful starting point. At the same time, campaigning in developed countries has to be intensified in order to mobilize support for the MDGs and deliver results in terms of aid, trade and access to markets and technology.

IV. Recommendations

26. The assessment has identified a number of specific recommendations that follow as UNDP and the United Nations system gear up to meet the seven challenges. These recommendations are addressed to (a) the United Nations system, (b) UNDP, and (c) global development partners.

The United Nations system

27. *On the product.* It is necessary to focus on the real value added of the MDGRs and strategically position them to generate maximum debate, discussion and public action around the MDGs. The MDGRs must emerge as public affairs documents with a wide readership. They also ought to be supplemented by a range of simple thematic publications that report on different aspects of the MDGs.

28. *On the process*. It is important to work out a strategy for establishing and nurturing partnerships with CSOs at both the global and country levels. Closer linkages with the IFIs need to be developed. The United Nations system should work towards developing a common United Nations database that pulls together the work of different United Nations organizations (such as Child Info, Dev Info and VMap) Launching country--specific campaigns that link up to global initiatives surrounding the MDGs will greatly strengthen the overall process of reporting on MDGs. Such a global campaign strategy must develop a differentiated strategy keeping in mind three principal constituencies: (i) the developed countries, (ii) the developing countries, and (iii) target audiences within each country. As part of the dissemination strategy, it will be helpful to develop a portfolio of campaign materials and products. It is also essential to rationalize reporting requirements especially those prescribed by the United Nations system such as the CCA, NHDRs and PRSPs.

29. The role of the resident coordinator: The Office of the United Nations Resident Coordinator needs to be strengthened and supported to develop a long-term strategic plan on MDG reporting that takes into account key considerations at the country level: how policies are made; who are the key players; who are the best allies; what is the best use of data; what priority changes are needed; where are the levers for change; how can short-term progress be measured; what is the right timing for the MDGRs; what ought to be the frequency of MDGRs; what is the nature of supplementary materials that will be needed; and so on. An integral part of the strategic reporting plan should be an effective advocacy and dissemination plan.

UNDP

30. UNDP should undertake new initiatives to develop programmes for capacity building of CSOs. At the same time, efforts must be made to strengthen policy analysis functions in order to engage more meaningfully in discussions on programme and policy interventions that can deliver on the MDGs at the country level. It is important to strengthen the content of the NHDRs to make them more policy relevant. Efforts should also be made to discourage MDGRs from becoming policy documents or publications that resemble NHDRs. At the same time, to sharpen the focus and enhance the content, quality and utility of MDGRs, UNDP must dialogue more effectively with the IFIs on three issues: data, policy and the financing of MDGs. The organization will need to support efforts that assess development effectiveness (of programmes, organizations, advocacy and dissemination) for attaining the MDGs.

Global partnerships

31. UNDP and the United Nations system as a whole should mobilize global partners to mount a global initiative on statistics that will bring together international and national statistical organizations to engage in a comprehensive assessment of data needed for the effective monitoring of MDGs. The United Nations and its global partners should consider global surveys on the MDGs (similar to the Multi-Indicator Cluster following a standard set of global guidelines to compare performance across countries and regions of the world, and to track and report systematically on global progress towards the MDGs. Global development partners will need to collectively explore collaborative mechanisms

that will ensure regular reporting on MDGs by countries. It is of the utmost importance to track progress on Goal 8, which is not being reported upon by most countries. Significantly, the findings of this assessment suggest that this is regarded by most developing countries as the biggest challenge for delivering on the MDGs.